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# U.S. Seeks To Stop Mideast Conflict

By William Claiborne

**JERUSALEM** — U.S. special envoy Philip C. Habib met with Prime Minister Menachem Begin on Sunday to seek a cease-fire in the escalating Israeli-Palestinian conflict as Israel just bombed Palestinian guerrilla centers in Lebanon and the Palestinians fired rockets and artillery at Israeli settlements.

A 14-year-old Israeli youth was killed when a barrage of rockets fell on the northern Israeli town of Kfar Szevoun, and 23 residents of the town were injured, including the youth's mother, who was in critical condition.

The Israeli fighter-bombers pounded Palestinian regional command headquarters throughout southern Lebanon in the ninth day of intensifying hostilities across the Lebanese border. Palestinian positions in Nabatieh, Tyre and the crusader castle at Beaufort were among those bombed in Sunday's raids, the Israeli Army command said.

An Israeli defense forces spokesman said the Israeli pilots reported "accurate hits" on guerrilla positions, including artillery emplacements that earlier in the day had fired salvoes into the Israeli coastal resort city of Nahariya.

The headquarters of UN forces in southern Lebanon said that Sunday's hostilities began when Palestinian guerrillas fired eight artillery rounds at Nahariya. The Israeli Army responded 35 minutes later with 240 artillery and mortar rounds before Israeli bombers began their sorties. By mid-afternoon, UN spokesman Tamas Czekel said, the Israeli had fired 370 artillery rounds, compared with 60 fired by the Palestinians.

A communiqué issued by the Palestine Liberation Organization in Beirut and carried by the Palestinian news agency Wafa mentioned no casualty figures. The Associated Press reported that Lebanese police said that 14 persons had been killed, and 45 had been wounded in artillery and rocket duels between the Israeli border gunners and guerrillas.

"We put the responsibility of this aggression and acts of terror on the U.S. administration, which supplies this enemy [Israel] with sophisticated arms and means of destruction and which sanctions such attacks," the PLO communiqué said.

Mr. Habib, who was ordered by President Reagan to break off his (Continued on Page 2, Col. 1)



A march in Dublin to show support for IRA hunger strikers ended in violence as police defended the British Embassy.

# U.K. Again Rejects Talks With IRA Strikers

**BELFAST** — The British government on Sunday rejected the latest proposal for direct talks with IRA hunger strikers. Supporters of the prisoners in Dublin vowed to stage a new demonstration outside the British Embassy.

About 180 people were injured Saturday when a march on the British Embassy by 17,000 hunger-strike supporters ended with hundreds of militants throwing bottles and bricks at police, who retaliated with repeated baton charges.

Eight Irish Republican Army hunger strikers in Maze prison claimed on Saturday that a Red Cross attempt to resolve the protest failed.

"In the light of the Red Cross failure to draw the British to the negotiating table we are convinced that this is merely a cosmetic gesture aimed at placating condemnatory opinion," the hunger strikers said in a statement smuggled out of the jail.

The three-member Red Cross delegation arrived in Belfast Thursday from Geneva. They spent 4 hours Thursday, 12 hours Friday and most of Saturday inside the complex of H-shaped cell blocks at Maze.

They were invited to the province by Northern Ireland Secretary Humphrey Atkins "to assess and, if necessary, to make recommendations to improve the conditions of imprisonment in Northern Ireland."

The British government has never indicated that the Red Cross should become a mediator, saying that the delegates were invited to inspect prison conditions at Maze. This is a central issue in the protest that has cost six lives since May.

"The hunger strikers said 'nothing of relevance emerged' in their meeting with the Red Cross. Their attempt to initiate talks between ourselves and the British failed because the British were not even prepared to discuss a settlement," the prisoners' statement said.

The prisoners thanked the Red Cross "for trying to prevent any further loss of life" and again called for direct talks with the government — a move that the government of Prime Minister Margaret Thatcher has rejected for fear it

will antagonize Ulster's Protestant majority. Irish Premier Garret FitzGerald praised the police for their restraint in the rioting on Saturday, which he said "had been provoked by people who were working not for a settlement of the hunger strike, but for a heightening of tension and violence throughout Ireland."

A police spokesman, after displaying thousands of bottles and

hundreds of large rocks that were used to batter police, said, "this was the worst violence directed at police in the history of the Republic."

The trouble erupted after march leader Bernadette Devlin McAliskey — one of Ulster's most influential political orators — was allowed through police lines to lay a wreath at the embassy, along with a few supporters. Hundreds of angry marchers tried to follow them.

Some demonstrators wielded poles as lances as they charged the cordon, accompanied by a hail of flying concrete slabs, stones, and bricks. Some police pitched the missiles back at the crowd, witnesses said.

Then the line parted and squads of reinforcements in riot gear charged the crowd, laying into the demonstrators with 2-foot-long batons and scattering them in a panic run.

In Belfast, Mr. Atkins rejected the eight hunger strikers' latest proposal for direct negotiations. He repeated the government position, which has remained the same from the start of the fasts. Mr. Atkins said that he would not negotiate with the hunger strikers until they called off their protest.

Only then, he said, would Britain consider prison reforms. The government rejection of direct talks spelled almost certain death for Kieran Doherty, 25, and Kevin Lynch, 24, who on Sunday had been on a fast for 59 and 58 days respectively. Both men were reported by relatives to be close to death and have received the last rites of the Roman Catholic Church.

Dublin, supporters of the IRA prisoners met to map plans for another demonstration next Saturday. Government sources said that, this time, the army might be called out to help police protect the British Embassy.

An IMF report says the fight against inflation should be given top priority. Page 7.

East-West trade issues, settled what was described as a major struggle between Secretary of State Alexander M. Haig Jr. and Secretary of Defense Caspar W. Weinberger.

Mr. Reagan flew to Canada on Sunday for his first major summit conference, seeking rapport with the leaders of the world's richest democracies despite differences over high interest rates and trade with the Soviet bloc. The Associated Press reported that he arrived in Ottawa at mid-afternoon and then departed by helicopter for the Quebec town of Montebello, 40 miles away, where he and seven other leaders will meet in a 51-year-old log chateau.

Among the first events on Mr. Reagan's schedule late Sunday afternoon were sessions with Chancellor Helmut Schmidt of West Germany, with whom he has already conferred in Washington, and his first meeting with Presi-

# Politburo Realigned As Kania Keeps Post

**WARSAW** — The Polish Communist Party Central Committee elected a new, enlarged 15-man Politburo on Sunday containing only six members of the outgoing national leadership. Stanislaw Kania was re-elected Saturday night as Poland's Communist Party leader.

Four members of the previous 11-man Politburo were included in the new lineup, announced by Mr. Kania at an emergency party congress. They were Mr. Kania, who received an automatic place; Premier Wojciech Jaruzelski, Stefan Olszowski, a leading hard-liner, and Kazimierz Barcikowski.

The only other members with governing experience were Foreign Minister Jozef Cyranko and Interior Minister Miroslaw Milewski.

Mr. Kania's only opponent in the election Saturday night for party leader was Mr. Barcikowski, another moderate. He had been nominated earlier in the day by the newly elected Central Committee.

The secret-ballot vote by the 1,955 delegates was another extraordinary event in the gathering. Customarily, the party leaders in the countries of the Soviet bloc — called first secretary in Poland and other countries and general secretary in the Soviet Union and a few others — are chosen by the Central Committee in closed session.

Mr. Barcikowski, whose stand on most issues is close to that of Mr. Kania, was viewed as something of a token candidate, whose name was entered largely so that Mr. Kania would not run unopposed.

According to the PAP news agency, other candidates were chosen by the Central Committee but declined to run after thanking the committee "for confidence displayed toward them."

They were Mr. Olszowski, a hard-liner who has moved to a more moderate position in recent weeks, and Mr. Mieczyslaw Rakowski, a liberal deputy premier who is the government's chief negotiator with the Solidarity trade union.

Along with Gen. Wojciech Jaruzelski, premier and minister of defense, these four are the only well-known members of the leadership who survived secret balloting Thursday night for 200 seats on the Central Committee.

The delegates rejected five members of the Politburo, numerous provincial first secretaries and even the largely honorific head of state, Henryk Jablonski. Although they will not be on the party's Central Committee, Mr. Jablonski and the provincial party chiefs will not automatically lose their government positions.

The vote also beat back a hard-line challenge to Mr. Kania that had been building up behind the scenes, eliminating some of its major proponents, including Tadeusz Grabski, a Politburo member who had planned to run for party leader.

Several prominent liberal reformers also lost, such as Tadeusz Fiszbach, the party leader in Gdansk so the net effect of the shakeup appeared to be a victory for the center and a vindication of Mr. Kania's policy of cautious reform.

PAP said that 18 candidates ran in the Politburo election, carried out by a secret ballot among the 200 committee members, themselves voted into office three days earlier. The Politburo is the party's chief policy-making body and effectively forms a Cabinet around the party leader.

Gen. Jaruzelski warned Sunday that strikes in Poland must end and authorities will act where necessary to protect "the nation against catastrophe."

His warning came only days before strikes scheduled by Poland's national airline and 46,000 Baltic dockworkers belonging to Solidarity. The dockworkers are set to strike Thursday over pay and working conditions, and the airline employees Friday unless the government agrees to let them choose their own director.

Gen. Jaruzelski's remarks appeared to be a warning to Solidarity, which won 46 of the 200 (Continued on Page 2, Col. 5)



Following his re-election as head of Poland's Communist Party at an extraordinary congress in Warsaw, Stanislaw Kania, left, was congratulated by runner-up Kazimierz Barcikowski, center, as Poland's premier, Gen. Wojciech Jaruzelski, looked on.

# Poland: Secret Ballot In a One-Party State

By John Darnon  
New York Times Service

**WARSAW** — Midway through last week's session of the extraordinary congress of the Polish Communist Party, Mieczyslaw Rakowski, the party's most prominent liberal, delivered an impassioned plea for liberalization and reform. There was no other way except "renewal," he told the 1,955 delegates, or the country would become steeped in a bloodbath.

As the deputy premier stepped down from the podium to a thunderous ovation, a visiting American journalist watching it on closed-circuit television was moved by the sight of a man trying to

sway a vast congregation to a position of conscience.

"Incredible!" he exclaimed. "Absolutely incredible! That was Teddy Kennedy speaking to the Democratic convention."

The extraordinary congress was indeed extraordinary. Never before had there been one like it in the Soviet bloc. It broke so much new ground, in procedures and spirit, that the temptation was strong to reach for Western analogies and conclude that something very much like democracy had somehow infiltrated the monolithic rule of the Communist Party, changing it irrevocably.

Genuine Choice  
For the first time, delegates, themselves selected by secret ballot, voted for their leaders secretly. For the first time, there was a genuine choice, since there were more candidates than positions. Selecting a 200-member new Central Committee from among 279 candidates, delegates rejected five of nine members of the Politburo, making them ineligible for re-election to that supreme body.

The losers included two extreme conservatives — Tadeusz Grabski, who had hoped to unseat the moderate party leader, Stanislaw Kania, and Mieczyslaw Moczar, a former minister of the interior believed to have engineered an anti-Semitic campaign in 1968 — as well as Tadeusz Fiszbach, the ut-

(Continued on Page 2, Col. 7)

# 111 Die in U.S. Hotel as Walkways Collapse

**KANSAS CITY, Mo.** — Dozens of bodies have been pulled from the rubble of two collapsed walkways in the lobby of the Hyatt Regency Hotel as officials began an investigation into one of the nation's worst hotel disasters. The death toll was 111, with 188 injured, several of them critically.

The accident happened Friday night when an indoor "sky bridge" filled with dancers four floors above the lobby collapsed, crashing onto a second crowded walkway and bringing both structures plunging to the main dance floor below.

Mayor Richard Berkley, calling it "a profound tragedy for this city," ordered a sweeping review of all city records — including building permits and inspection reports — prepared during the planning and construction of the architecturally spectacular hotel tower.

Experts and officials said one theory for the cause of the collapse was that the walkways were carrying too much weight. Another was that the rhythmic vibrations of the dancers put too much strain on the structure.

Witnesses said people had been standing elbow-to-elbow, swaying with the music of a jazz number called "Satin Doll" on the walkways and in the lobby, shortly before the uppermost walkway collapsed.

Normally the walkways are used by guests moving from the side of the building containing living quarters to meeting rooms on lower floors across the lobby. But at the weekly social event called the Tea Dance, participants were allowed to dance on the walkways as well as in the lobby below.

As the crowd estimated by authorities and hotel officials at 1,200 to 1,500 danced Friday night, the second-level walkway snapped from the steel rods that suspended it from the ceiling. It fell like a pancake onto the walk below. Both walkways, themselves filled with dancers and spectators, struck the crowd in the lobby.

The walkways were constructed of steel I-beams, covered with metal restraining sheets and then with a layer of concrete about three inches thick with girders woven in (Continued on Page 2, Col. 4)



Rescue workers searched through the debris of collapsed walkways for dead and injured in the lobby of a hotel in Kansas City, Mo. In the photo below, an injured man is placed on a stretcher.



# Reagan Reportedly Decides to Ask Allies To Adopt Cautious Moscow Trade Policy

By Leslie H. Gelb  
New York Times Service

**WASHINGTON** — President Reagan has settled a policy dispute within the administration by deciding to ask U.S. allies to follow a collective, cautious approach toward the Soviet Union on economic matters.

Well-placed administration officials say that his decision to follow this course, rather than to confront allied leaders with a harder line on

tary competition. He urged an embargo on the sale of both strategic equipment and critical technology to Moscow, and contended that if Mr. Reagan used all of his personal prestige, he could press the allies into agreement.

Mr. Haig's stance, as officials recounted it, was that policy toward Moscow should not be totally confrontational, that Soviet leaders should not be squeezed so hard that their behavior became unpredictable, that the allies would not bend to Mr. Reagan's pressure and that no policy toward Moscow would be effective unless it was a common policy.

All of the president's key advisers agreed on the goal of trying to exert tighter controls on Western exports to the Soviet Union, but the president had to choose between his two secretaries on how far to go and what was feasible. By most accounts, he essentially took Mr. Haig's view, although military officials say that their tough stance forced Mr. Haig to move toward them during the discussions.

According to the officials, the president made his decision on these grounds: Since the allies are highly unlikely to curtail trade with the Soviet Union significantly, pressing them would only create confrontation with the allies. If confronted, the allies would choose trade with Moscow over the Atlantic alliance, and the consequences of such a rejection of the U.S. position would be catastrophic.

Some in the administration hailed this as a sign that the White (Continued on Page 4, Col. 6)

# NEWS ANALYSIS

dent Francois Mitterrand of France, the Socialist who was elected May 10.]

According to administration officials, Mr. Reagan will ask the allies to study how importing Soviet energy will affect their vulnerability and to take a fresh look at whether trade with Moscow has moderated Soviet behavior.

These officials say he will urge that, while maintaining a cooperative economic policy toward the Soviet Union, the allies remain alert to security problems. He will also suggest, they said, that West Europeans take precautions in their prospective deal to build a pipeline and buy natural gas from the Soviet Union but will pose no flat objections to the deal.

Some officials said that the president seemed to be leaning toward approval of a \$40-million sale of pipeline laying-equipment to the Soviet Union by the Caterpillar Tractor Co., indicating that he was not going to close trade doors with Moscow. Other officials said no decision had been made.

2 Meetings  
Mr. Haig and Mr. Weinberger argued for their respective approaches to the economic question in two National Security Council meetings last week, with virtually all those present backing Mr. Haig except William J. Casey, the director of central intelligence, and Jeanne J. Kirkpatrick, the chief delegate to the United Nations.

Mr. Weinberger argued, the officials related, that economic relations with Moscow should be treated as an extension of the mili-

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**Algerian Arms**  
Algeria has given Nicaragua as many as 30 Soviet-made tanks and large quantities of other arms, according to sources in Managua. The Algerian move is part of what one Latin ambassador called an "Arab offensive" in the area. Page 3.

**French Policy**  
France's new Socialist government has approved what may be the most radical of all its proposed reforms, the decentralization of the national government. Page 4.

**Alcohol Warning**  
In Washington, the surgeon general officially advises U.S. doctors that pregnant women should drink absolutely no alcohol. Page 5.

# Fakhani Street Counts Its Dead And Listens for Israeli Jets

By J. Michael Kennedy  
Los Angeles Times Service  
**BEIRUT** — Before Friday morning, Palestinians lived on Fakhani Street. Then the Israeli jets came and bombed, blasting away at the neighborhood and the refugee camps near the Beirut airport.

On Saturday morning, what had been apartment buildings were bombed shells. Power lines dangled from their poles. Broken glass and blocks of cement filled the street. Men driving bulldozers carted away debris, all the while looking for more bodies. They knew the official death count of 300 would go even higher.

And the people of Fakhani Street were listening for the sound of Israeli jets, waiting for another attack on the neighborhood.

"In this building alone, more than 100 people were killed," said Abdul Hadi, a spokesman for the Palestine Liberation Organization. No one expected the raid, certainly not the people who lived on Fakhani Street. The Israelis had not bombed Palestinians within Beirut since 1974, and even with the intense battles in southern Lebanon, the

city had not seemed a likely target.

Beirut, after all, was the largest city in Lebanon, the home of many Westerners, headquarters of embassies. But it was also the headquarters of the PLO and its leader Yasser Arafat. What the people of Fakhani Street did not know was that Israeli Prime Minister Menachem Begin had decided that population centers would not be spared from air attack. Mr. Begin made his point Friday.

Mr. Hadi walked down the street and turned the corner, leading the way to a spot where a crane was pulling away mangled strands of steel reinforcement from one of the buildings. The steel would not give way easily and the men on the street, most of them carrying machine guns, hacked away nervously after they were told concrete from above might come crashing down.

Mr. Hadi pointed to a building. "This building was bombed first with five or six 1,000-pound bombs." He pointed to another. "This building had civilian people. Children, women and old people were killed." In all, there were six demolished buildings on the street. Mr. Hadi never

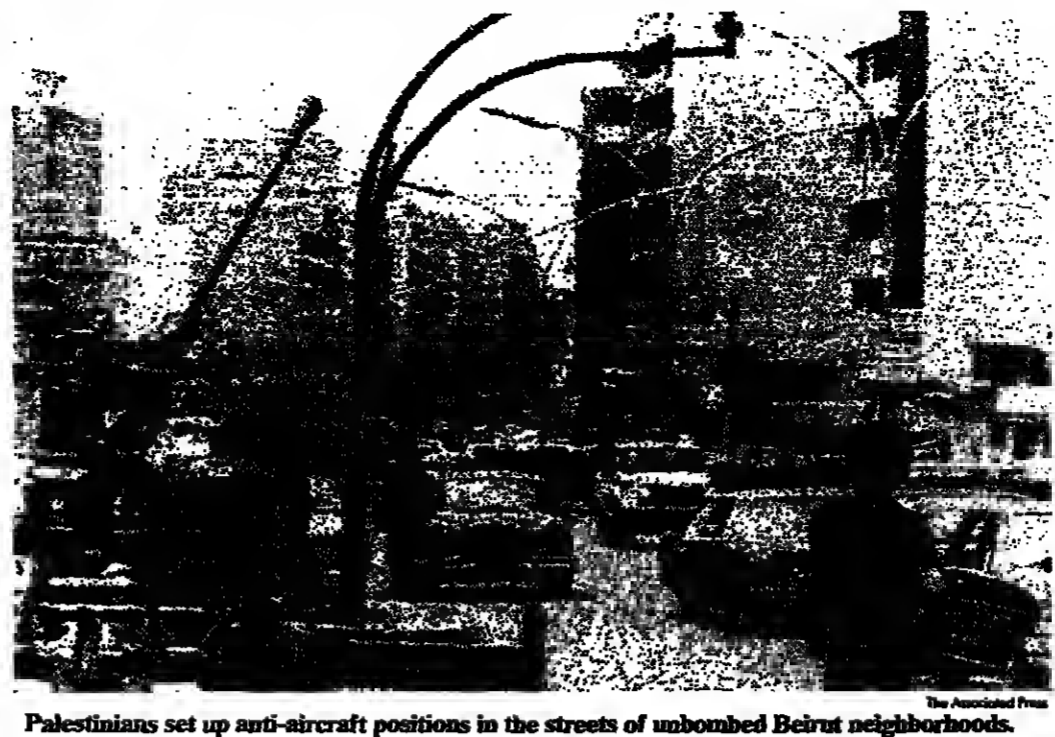
finished his litany of the dead because a man with a bullhorn began yelling instructions in Arabic.

"Israeli fighters are in the air now," Mr. Hadi said. "We must leave." The people on the street were running. The look of fear was intense as they jammed into doorways, looking for corners that would protect them.

Mr. Hadi ran to the first door and looked around at the crowd-ed lobby. "This is not safe," he said. "We will go someplace else." He bolted out of the building and into the street. He crossed to the other side and ducked into a doorway just as the Israeli jets screamed overhead. The people on the street also were screaming.

Mr. Hadi went down the stairs into darkness, around corners and into a room lit by a kerosene lamp. He stood there, out of breath, cigarette in hand. Others sat on the floor, backs to the wall, barely visible in the shadowy light.

"People are leaving their apartments and living under the ground," Mr. Hadi said. "For us, the main thing is to get missiles and anti-aircraft guns. We have demanded them from the other Arab countries, but did



Palestinians set up anti-aircraft positions in the streets of unbombed Beirut neighborhoods.

not get them. We expect hard times in the next few weeks. We are trying to protect our people. In the camps, we have many underground shelters. We have no electricity, no water, but we have no choice.

"We need political support and also the most important thing for us is to establish a front against the American influ-

ence. There is no peace in the Middle East without recognizing the national rights of the Palestinian people."

Outside, there was quiet. The Israelis had not dropped bombs and Mr. Hadi said he thought it was safe to leave, that the jets had probably been reconnaissance — that and to instill more fear in the people.

The scene was returning to normal, or what passed for normal, as a small group of people walked away from Fakhani Street. Vendors reopened their stalls and cars ventured into the main street. And then the jets came again. The people in the street ran for cover. They were screaming and there was fear in their eyes.

# Habib, Begin Meet on Lebanon Conflict 111 Killed

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diplomatic attempts to defuse the crisis over deployment of Syrian missiles in Lebanon and concentrate instead on arranging a ceasefire between Israel and the Palestinians, met twice Sunday with Mr. Begin and other top Israeli diplomatic and military officials.

## Habib Seeks Pact

In a one-hour morning session, Mr. Habib called on both sides to cease shooting immediately so that an agreement to a more permanent end to the fighting can be sought, perhaps with Syria acting as an intermediary. After another meeting Sunday night, Mr. Habib said he would consult with Mr. Begin on Tuesday after a special meeting of the Israeli Cabinet to consider the crisis. Mr. Habib refused to discuss details of his talks, saying only, "I've had very serious conversations with the prime minister about this complex problem."

The prime minister is understood to have told Mr. Habib that Israel did not initiate the cross-border exchanges and is not interested in letting the conflict escalate into a wider war of attrition.

However, Mr. Begin reportedly told Mr. Habib, neither is Israel willing to stand by and allow its

civilians to be killed by the Palestinians' newly acquired sophisticated weaponry, including rockets, purchased from the Soviet Union and Syria, and long-range artillery.

In Washington, Secretary of State Alexander M. Haig Jr. made clear the Reagan administration's hopes that the talks between Mr. Habib and Mr. Begin will produce "some temporary cooling of the situation" before the United States makes a decision Tuesday whether to release F-16 fighter-bombers whose delivery to Israel was suspended after the Israeli bombing of an Iraqi nuclear reactor June 7.

The administration, which had planned to lift the suspension last Friday, pulled back hastily after the Israeli attacks on Beirut. Mr. Haig, interviewed on television, emphasized that no "specific understandings" have been reached about future Israeli use of U.S.-supplied weapons and he did nothing to counter the general impression in Washington that the planes will be released Tuesday whether Mr. Begin cooperates or not.

A senior official in the prime minister's office said that Mr. Begin and his key advisers held out little hope for a negotiated end to the war of attrition, and that there was growing pressure within the

prime minister's inner circle for resolving both the Palestinian problem and the Syrian missile crisis by launching a wider conflict against Syria on Lebanese soil.

Meanwhile, the Israeli Army's chief of military intelligence, Maj. Gen. Yeoshua Saguy, acknowledged Sunday that a motive of Israel's intensive bombing raids Friday in densely populated quarters of Beirut was to attempt to generate Lebanese civilian resentment against the presence of Palestinian guerrillas.

"I would say at least they have something to think about now. We're trying to make people think about the consequences of this intensive [Palestinian] fire," Gen. Saguy said in a briefing for reporters.

It was the first time that a senior Israeli military official publicly has said that an expected benefit of the Beirut raids was to turn the Lebanese civilians there against the presence of Palestinian guerrilla headquarters. Previously, government spokesmen had said the purpose was to disrupt the Palestine Liberation Organization political infrastructure, and that the various PLO factions had unfortunately been situated in civilian population centers.

# Politburo Is Realigned; Kania Keeps Party Post

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seats on the party's governing central committee.

"There is no greater danger than anarchy," said the premier in an army general speaking in full uniform and drawing heavy, rhythmic applause after his stern remarks.

"We have to say it clearly... We cannot permit this. If necessary, authorities will be forced to execute the constitutional obligations to save the state from decay and the nation from catastrophe."

"There are boundaries which cannot be crossed," he added. The premier did not say what specific steps would be taken to prevent strikes. But he noted that the Polish Army had "kept cohesion and unity" during the crisis, and noted that "the party trusts the army."

Most of the premier's address was devoted to the economy, which he said was still deteriorating at an alarming rate. He repeated earlier government warnings that prices would have to be more than doubled to cope with the crisis.

Quoting official figures already published, he said national income, the Soviet bloc version of gross national product, would sink by 15 percent this year. Poland's debts with the West, already set at more than \$26 billion, would increase by a further \$3 billion, he said.

Gen. Jaruzelski said wages had increased by an average of 23 percent in the first six months of 1981 while the supply of domestic goods had dropped by 10 percent.

He said the resulting inflationary spiral meant that price rises of around 110 percent for food and fuel would be needed to bring back some balance to the pricing system. The question of these increases would be one of the first tasks facing the new leadership, he said.

The premier said the government planned far-reaching economic reforms in the coming months, including a new system of worker's co-management in industry combined with more flexible central planning. He said that the aim was to have most of industry working under the new system by the beginning of next year.

But he also attacked Solidarity for allegedly trying to pre-empt the government plans and push through its own self-management system — a reference to the strike planned by airline employees.

Turning to food shortages, the premier said an expected bumper harvest should ease supplies later in the year, but he warned that meat would remain scarce.

# U.S. Reportedly Set To Grant Credits for Food Aid to Poland

By Murrey Rardor  
Washington Post Service  
**WASHINGTON** — The Reagan administration is on the verge of giving emergency food aid to Poland, and is exploring the question of possible parallel East-West long-term support to salvage the Polish economy, according to sources in the administration and in Congress.

The sources said Friday that both approaches to the crisis in Poland are under serious consideration. The question of emergency food credit to Poland is awaiting President Reagan's decision and will require some form of congressional action. The broader issue of possible loans or credits for Poland in the multibillion-dollar range, by contrast, is in the most preliminary stages of exploration.

Informed sources said the long-term problem in Poland might be discussed at the economic summit conference in Ottawa. Even raising the question of parallel East-West efforts at long-term aid is extraordinary; the Soviet Union blocked Czechoslovakia from entering the Marshall Plan after the end of World War II.

It is improbable, several administration officials said, that the Reagan administration would discuss a "hard" aid package Sunday that combined long-term support with leadership with hopes for an end of turmoil within the Polish Communist Party.

Its curt tone and the absence of personal compliments were in marked contrast to Mr. Brezhnev's greeting to Mr. Kania last September when he was first elected party leader. At that time Mr. Brezhnev addressed Mr. Kania as "dear comrade" and praised him as a man of courage and a staunch Communist.

Sunday's congratulatory telegram was addressed to "respected Comrade Kania." It made no reference to the Polish Communist Party congress or its policies nor did it contain the standard best wishes for success in building Socialism in Poland.

While short and to the point, the message nevertheless constitutes the first authoritative Soviet comment on the Polish congress. It was interpreted by Western and East European observers here as a signal that at least for the time being the Kremlin has grudgingly accepted the changes in the Polish party.

Pravda on Sunday also made the first ambiguous reference to the secret ballot used in selecting the Polish Central Committee. It did not tell its readers that there was a choice of candidates to select from. The Soviet press also called for secret ballots, but there is no choice among candidates.

The Soviet press has carried no news about the congress except when it quoted speakers whose views were similar to those held in the Kremlin. The main coverage focused on three speeches made by Viktor Grishin, the chief Soviet delegate. Their tone, however, was restrained and seemed tailored to portray events in Poland as not really getting out of hand.

Until four weeks ago the Soviet press described the situation in Poland in ever more threatening terms that culminated in a blunt warning letter. But since the visit to Warsaw of Soviet Foreign Minister Andrei A. Gromyko, the Soviet press has dropped its threats and largely ignored the Polish situation.

# Poland: Secret Ballots, But a One-Party State

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trilateral Gdansk party secretary who is closely tied with the Solidarity trade union. Even the country's aged, ceremonial president, Henryk Jablonski, failed to get the requisite 955 votes. By contrast, the strong showing of Mr. Kania (1,335 votes) and the even stronger one of his premier, Gen. Wojciech Jaruzelski (1,615 votes), seemed to assure the party leader's reelection.

But for all the surprises, parallels between the congress and Western conventions were misleading. Poland is not a multiparty democracy; it is a one-party state. On view in Warsaw last week was not a competition between political philosophies in an organized structure, but a power struggle within the single party, brought about by that party's decline as a result of national crisis.

In its distress, the Polish party has violated the main tenet of Leninism and fallen prey to factionalism. There has always been factionalism in Eastern Europe — it is impossible for leaders to always agree on what should be done — but until now, the struggles occurred at the top and were carefully hidden until they were resolved through compromise or purges.

Different "Tendencies" In Poland, however, the struggles are being fought relatively openly and at all levels. The crisis has penetrated so deep that the party is being pulled in different directions. Each "tendency" as the official euphemism has its own constituency at the bottom and its own identifiable champion at the top.

Factionalism has been tolerated from the beginning by Mr. Kania under the guise of collegial rule. He was not, he said in his acceptance speech as party leader almost a year ago, striving to be a leader. By implication, he wanted to be a moderator, searching for the road between contending forces.

At provincial party conferences to select delegates to the congress, he even intervened to rescue hard-

West is about \$26 billion. According to an official U.S. calculation, the Soviet Union during the last year extended to Poland about \$3 billion worth of financial and credit benefits, including debt rescheduling, of which "something under \$1 billion" was in "hard currency," and the balance in "soft currency" benefits.

What some analysts within the Reagan administration are speculating is that an effort "to save Poland from bankruptcy" would need about \$1 to \$2 billion of Western loans and credits for five or more years in addition to any support it might get from the Soviet Union and other Eastern European nations.

# Kania Gets Approval of Brezhnev

By Dnsko Dodger  
Washington Post Service

**MOSCOW** — Soviet President Leonid I. Brezhnev guardedly endorsed the re-election of Stanislaw Kania as Poland's first secretary in a brief message Sunday that combined long-term support with leadership with hopes for an end of turmoil within the Polish Communist Party.

Its curt tone and the absence of personal compliments were in marked contrast to Mr. Brezhnev's greeting to Mr. Kania last September when he was first elected party leader. At that time Mr. Brezhnev addressed Mr. Kania as "dear comrade" and praised him as a man of courage and a staunch Communist.

Sunday's congratulatory telegram was addressed to "respected Comrade Kania." It made no reference to the Polish Communist Party congress or its policies nor did it contain the standard best wishes for success in building Socialism in Poland.

While short and to the point, the message nevertheless constitutes the first authoritative Soviet comment on the Polish congress. It was interpreted by Western and East European observers here as a signal that at least for the time being the Kremlin has grudgingly accepted the changes in the Polish party.

Pravda on Sunday also made the first ambiguous reference to the secret ballot used in selecting the Polish Central Committee. It did not tell its readers that there was a choice of candidates to select from. The Soviet press also called for secret ballots, but there is no choice among candidates.

The Soviet press has carried no news about the congress except when it quoted speakers whose views were similar to those held in the Kremlin. The main coverage focused on three speeches made by Viktor Grishin, the chief Soviet delegate. Their tone, however, was restrained and seemed tailored to portray events in Poland as not really getting out of hand.

Until four weeks ago the Soviet press described the situation in Poland in ever more threatening terms that culminated in a blunt warning letter. But since the visit to Warsaw of Soviet Foreign Minister Andrei A. Gromyko, the Soviet press has dropped its threats and largely ignored the Polish situation.



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Many hotels outside the U.S. charge exorbitant surcharge fees on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel

surcharges reasonable, go ahead and call. No Teleplan? Read on! There are other ways to save.

**SAVE WITH A SHORTIE**  
In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. The surcharge on short calls is low. And you pay for the call-back from the States with dollars, not local currency, when you get your next home or office phone bill.

**SAVE THESE OTHER WAYS**  
Telephone Company credit card and collect calls may be placed in many

countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other telephone centers.

**SAVE NIGHTS & WEEKENDS**  
Always check to see whether the country you're in has lower rates at night and on weekends. Usually the savings are considerable.

You'll save a lot of green when you follow these tips. And a lot of gas when you travel by jaunting cart.



Reach out and touch someone

# WORLD NEWS BRIEFS

## Kidnapped Alfa Official Reportedly Resigns

**MILAN** — Kidnapped Alfa-Romeo executive Renzo Sandrucci has quit his job, according to a letter purported to have been written from the Red Brigades "people's prison" where he is being held, police sources said Sunday.

A letter of resignation, addressed to Alfa-Romeo Chairman Ennio Massacesi, was among a bundle of documents left by the guerrillas near the Fiat car works in Turin, the sources said.

Mr. Sandrucci, the senior production manager of Milan-based Alfa-Romeo, was kidnapped in Milan on June 3. The sources said his resignation letter contained remarks about the relationship between Alfa's management and workers' representatives.

## Dacko Dissolves 2 Rival Political Parties

**BANGUI**, Central African Republic — President David Dacko, calling his opposition intolerable, has dissolved two rival political parties, suspended a third and arrested a number of leaders.

Mr. Dacko, who has headed the government since the overthrow of Emperor Jean Bedel Bokassa, also on Saturday announced the creation of a special court and the opening of a judicial inquiry against some opponents for inciting disobedience and revolt, attacks against the security of the state, murder and attempted murder.

The crackdown comes after the bombing of a movie theater in Bangui Tuesday in which three were killed and 32 injured, 18 seriously.

## 5 More Executed in Iran on Political Charges

**ANKARA** — Iranian firing squads executed four men and a woman for armed revolt, the Iranian news agency reported Sunday, bringing to 219 the number of persons put to death for political offenses since Abolhassan Bani-Sadr was dismissed from the presidency a month ago.

The condemned included members of the Mujaheddin Khaalq leftist guerrilla group, which Iranian authorities have blamed for the bomb attack that killed at least 72 officials of the Islamic regime.

But in surprisingly lenient sentences, Tehran Radio said an Islamic court in Isfahan sentenced 16 members of the Mujaheddin Khaalq guerrilla group to prison terms of three months to three years after being convicted of activities against the Islamic republic, illegal demonstrations, selling and distributing illegal publications and creating disturbances.

## U.S. Is Firm on Missile Upgrading, Aide Says

**BONN** — NATO's decision to modernize its European nuclear force is not negotiable in arms talks with the Soviet Union, Washington's chief disarmament official said in an interview published Sunday.

Eugene Rostow, director of the U.S. Arms Control and Disarmament Agency, told the West German news magazine Der Spiegel that the U.S. aim was to achieve stability in East-West arms to reach a position where the minimum of danger existed of a Soviet attack on Western Europe.

Handwritten Arabic text: 5000 كواليت

# Algeria Reportedly Gives Nicaragua Tanks

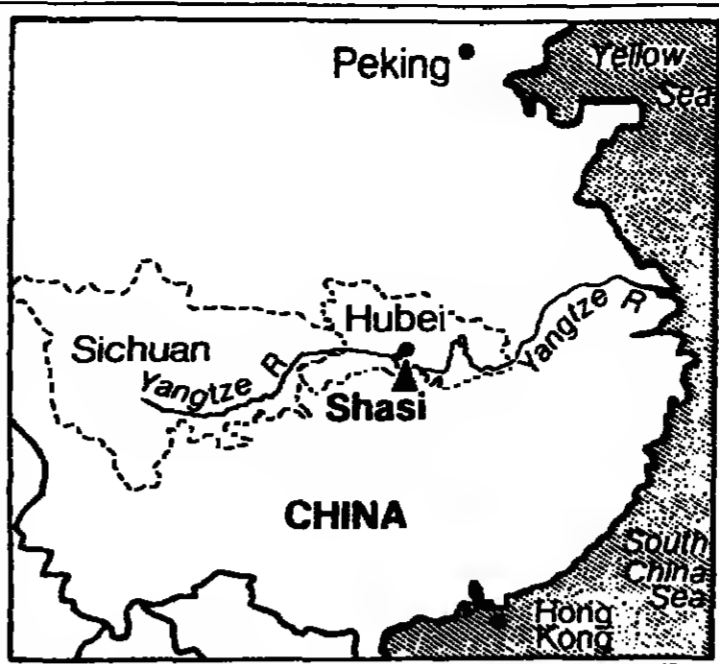
By Christopher Dickey  
Washington Post Service

MANAGUA — Algeria has given Nicaragua as many as 30 Soviet-made tanks and large quantities of other arms, according to Sandinista government sources. Third World diplomatic sources here said the Algerian-backed military buildup is part of what one Latin American analyst called an "Arab offensive" that has inserted a new element into the economic, military and political life of an area where outside influences have been, until now, largely restricted to regional neighbors, the two superpowers and their proxies.

On the eve of their second anniversary in power, the Sandinistas find themselves burdened with serious economic problems, fearful of military challenges from across neighboring borders and, according to sources here, troubled by disagreements within their college-age government over the path their revolution should take.

With U.S. aid cut off and only meager financial help from the Soviet Union, which was originally believed to have supplied the tanks that reportedly came from Algeria, the Sandinistas have turned to the revolutionary Arab regimes to supply support that may help them survive without aligning with either of the superpowers.

Members of the Sandinista leadership, Daniel and Humberto Ortega, with Fidel Castro — is viewed in Washington as a growing link to Moscow because of Cuba's economic dependence on the Russians.



The crest of Yangtze River flood reached Shashi on Sunday.

# Iran-U.S. Assets Pact Reportedly Snagged

By Stuart Taylor Jr.  
New York Times Service

WASHINGTON — Disagreements between Iran and U.S. negotiators meeting secretly in the Netherlands are likely to stall transfer by the United States of more than \$2 billion in once-frozen Iranian bank deposits and have aroused concern among American companies with claims against Iran.

rather than being reserved in its entirety, Mr. Olson said. He also said there was apparently a disagreement about who would pay the costs of administering the account.

# China Reports No Damage To Dam by Yangtze Flood

The Associated Press

PEKING — The crest of the Yangtze river's highest flood in more than 80 years passed China's largest dam project Sunday without any reported damage, after leaving from 3,000 to 4,000 persons dead in Sichuan province.

crest exceeded the recent high of 66,800 cubic meters in 1954 and was roughly the same as that of 1896.

# \$2 Billion Held

Treasury Department officials

disclosed Friday afternoon that the transfer of the \$2 billion, now held in the Federal Reserve Bank in New York, would "almost definitely not occur until Monday" at the earliest because negotiations concerning the security account "have not been finalized."

# Hostage Deposits

The Jan. 19 hostage agreements

provided that the commercial deposits in the United States would be collected and transferred out of the country within six months.

# Reagan's Efforts to Revitalize the CIA Complicated by the Casey-Hugel Probe

By Judith Miller  
New York Times Service

WASHINGTON — Resignation of the CIA's chief of clandestine operations and a Senate committee's review of Director William J. Casey's financial transactions threaten to set back the Reagan administration's effort to restore the morale and effectiveness of the agency.

romantic view of the agency and nostalgia for a bygone era.

few of the officials interviewed believed that Mr. Casey's job had been jeopardized by the civil rulings. One former intelligence official, however, reported that some in the intelligence community had turned against Mr. Casey, just as they had against Mr. Hugel, and now wanted Mr. Casey removed as well.

Senate Republicans and Democrats agreed Saturday that it is unlikely Mr. Casey will be asked to resign unless the Senate Select Committee on Intelligence should develop additional damaging information.

It is essential, Adm. Inman authorized committee officials to say, that the senators trust the CIA and have faith in the oversight system of the House and Senate intelligence committees.

Mr. Casey's status is complicated by the committee's overwhelming support for Adm. Inman, the deputy whom Sen. Goldwater almost insisted that Mr. Casey hire.

Administration officials, however, expressed concern over whether the developments, including the resignation of Max C. Hugel, director of CIA covert operations, might undermine the confidence of foreign governments in the committee's professionalism in the U.S. intelligence community.

Other committee members said the review also would focus on security procedures at the CIA, and on the relationship between Mr. Casey and Mr. Hugel, a Reagan campaign official with little experience in intelligence who resigned Tuesday in the aftermath of allegations printed in The Washington Post that he had participated in fraudulent securities transactions in the 1970s.

Mr. McCann said Mr. Ostrer had acted as a consultant to the union plan and to the Modern Agency. Mr. McCann also challenged the congressional subcommittee's finding that the insurance commissions were too high.

Administration and congressional officials cite these possible effects of the episode:

The Reagan administration's effort to win support for greater flexibility for the agency, its exemption from reporting and disclosure policies and greater protection for its officials could be complicated.

Mr. McCann has no diplomatic experience, but that is not unusual for the Dublin post, which is one of those that ordinarily go to a political appointee rather than a career Foreign Service officer.

# U.S. Plan to Export Coal Includes Ecology Detours

By Philip Shabecoff  
New York Times Service

WASHINGTON — The Reagan administration will relax strip-mining rules, accelerate the leasing of federal lands and promote dredging of harbors and rivers as part of a program to stimulate exports of coal, Commerce Secretary Malcolm Baldrige Jr. has announced.

The Commerce Department's new coal policy is intended not to subsidize coal exports but to expedite them, Mr. Baldrige said.

Another reported finding was that an official of Foundation Life Insurance had told the subcommittee's investigators that Mr. Ostrer owned 100,000 shares of the company's 3.5 million outstanding shares.

Mr. Baldrige said Friday that the policy is aimed at removing government impediments to coal exports in order to stimulate the domestic economy while "helping the nation's trading partners lessen their dependence on oil supplies."

The administration is also supporting a fee on port users to finance dredging of channels that could be used for deep-draft vessels hauling coal and other bulk cargo.

Mr. McCann said Mr. Ostrer had acted as a consultant to the union plan and to the Modern Agency. Mr. McCann also challenged the congressional subcommittee's finding that the insurance commissions were too high.

Jan Beyea, scientist for the National Audubon Society, said the

she said.

# 32 Drown in S. Korea

The Associated Press

SEOUL — Police reported Saturday that 32 persons, including 11 children, drowned on Constitution Day, a national holiday, when hundreds of thousands of Koreans crowded beaches and rivers to beat a heat wave Friday.

# Indications Grow That Reagan's Choice For Envoy to Dublin May Be in Trouble

By Irvin Molotsky  
New York Times Service

WASHINGTON — Last St. Patrick's Day, President Reagan dropped in at the Irish Embassy and delighted everyone by announcing his intention to appoint William E. McCann, whom he had brought along, as the next ambassador to Ireland.

The delight came from the choice of the day as well as the fact that an Irish-American had been selected.

# Peru Announces Austerity Plan

United Press International

LIMA — Peru's civilian government, about to mark its first anniversary in office, has announced the beginning of a "severe" austerity program.

# 2 Die in Canadian Crash

United Press International

GOOSE BAY, Newfoundland — A West German pilot and his navigator were killed Saturday when their F-4 Phantom aircraft crashed into a lake near the Canadian Armed Forces Goose Bay Base during a training flight.

# Portuguese Bill To Denationalize Vetoed by Panel

Reuters

LISBON — The military council empowered to veto over national affairs in Portugal has vetoed a parliamentary bill aimed at handing huge nationalized sectors back to private enterprise.

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# Tanzanians Back Rejection of IMF

The Associated Press

DAER ES SALAAM, Tanzania — An estimated 20,000 people marched through the streets of the capital in the biggest demonstration yet in support of President Julius K. Nyerere's refusal to yield to demands of the International Monetary Fund.

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# By-Election Marks Emergence Of New-Style Party in Britain

By R.W. Apple Jr.  
New York Times Service  
LONDON — The Social Democratic Party, barely four months old, came within an ace Thursday night of winning a by-election in a constituency where the Labor Party has reigned since World War II.

## NEWS ANALYSIS

Most political commentators had agreed before the voting that because of its working-class character, Warrington would understate the Social Democrats' strength in the average English constituency by about 5 percent. By that reckoning, the new party and its Liberal allies would poll 47 percent of the vote and gain 500 seats, an overwhelming majority of the 635-seat House of Commons, in a general election.

## Fickle Indicators

That seems highly improbable, and by-elections are notoriously fickle indicators. But politicians of all parties agreed that Warrington had established the Social Democrats as a major political force.



Roy Jenkins, standard-bearer for Britain's Social Democrats in their first election rally, was pensive as he heard the results of last week's by-election in Warrington, which he narrowly lost.

# U.K. Anti-Riot Response Assailed by Labor Aide

Reviews  
DORCHESTER, England — Ron Hayward, the general secretary of the opposition Labor Party, Sunday condemned the government for responding to 12 nights of street violence in British cities by promising tough new anti-riot equipment.

"They have not been much help in Belfast, Detroit, Chicago, Berlin, Amsterdam or Japan, where rioting is, or has been, a way of life," he said.

# Albanian Exiles Deny Shootings

Reviews  
BRUSSELS — Exiled Albanian nationalists seeking autonomy for the Yugoslav province of Kosovo have denied responsibility for a gun attack on Yugoslav diplomats here.

"We do not believe that the use of water cannon, CS gas or rubber bullets will help the police to help us," he told a radio union rally in the village of Tolpuddle near this southwestern town.

# Kosovo Leader Resigns

BELGRADE (AP) — Dževad Niman, president of Kosovo province where at least nine persons died in riots earlier this year, has resigned, the Yugoslav news agency Tanjug reported Friday. No reason was given for the action.

Scotland Yard, meanwhile, reported a new rioting or urban violence during the weekend.

# AFL-CIO to Stage March Over Cuts in U.S. Budget

By Harry Bernstein  
Los Angeles Times Service  
WASHINGTON — Breaking with tradition, the AFL-CIO is planning a massive street demonstration in Washington to protest cuts in the federal budget, union leaders have said.

land, said that the AFL-CIO is sponsoring the Sept. 9 rally, called Solidarity Day, in cooperation with nearly 180 other organizations, because "changing times call for changing tactics."

Labor had expected Mr. Jenkins to do relatively well, but his candidate, Douglas Hoyle, had predicted that most of the Social Democrat's votes would come from disgruntled Conservatives. That did not prove to be the case. Thousands of Labor voters crossed over to support Mr. Jenkins, with Mr. Hoyle able to poll only 48.4 percent compared to the 61.7 percent amassed by Sir Thomas Williams, the retiring M.P., in the general election of 1979.

Relations between President Reagan and organized labor have been bitter, with Reagan aides complaining that the unions, with some exceptions, almost automatically reject all of the president's social and economic programs.

Normally in a by-election held against the backdrop of record unemployment, approaching 3 million, the Labor Party, as the official opposition, would have expected to gain votes. Its failure even to hold its own was interpreted by political commentators as a sign of grave weakness.

Mr. Kirkland has called the leaders of all 102 unions affiliated with the AFL-CIO to an Aug. 6 meeting in Chicago to discuss plans for the Washington demonstration.

# Canada Postal Strike Enters Fourth Week

OTTAWA — A strike by postal workers enters its fourth week Monday with some businessmen claiming losses of up to 10 million Canadian dollars (\$8.3 million) a day as a direct result of the strike.

George Meany, former president of the AFL-CIO, believed that mass marches, such as the 1963 march that drew more than 200,000 protesters, were too radical and, thus, ineffective. And because Mr. Meany supported the war in Vietnam, the AFL-CIO scorned mass protests against it.

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# Tibor Udvardy, Operatic Tenor, Dies in Budapest

BUDAPEST — Tibor Udvardy, 67, a Hungarian tenor whose international opera engagements ranged from New York to Moscow, died Friday.

# Mistrial Declared In U.S. Nazi Case

ASHEVILLE, N.C. — A mistrial was declared after a federal jury failed to reach a verdict in the case of six American Nazis accused of plotting a terrorist bombing attack on the city of Greensboro, N.C.

# French Decentralization Plan Is a Radical Transfer of Power

By Frank J. Prial  
New York Times Service  
PARIS — France's new Socialist government has approved what may be the most radical of all its proposed reforms, the decentralization of the national government.

The measure, called "The Rights and Liberties of the Communities, Departments and Regions," was described by Prime Minister Pierre Mauroy as "the most important affair of our seven-year term."

"We must not delude ourselves of what remains of Napoleon's ancient regime," Mr. Mauroy said recently. "The men of the chateaus are gone now," he said, referring to the defeated government of Valéry Giscard d'Estaing.

The regional paymasters-general — budgetary watchdogs appointed by the Ministry of Finance in Paris who, like the prefects, have had absolute powers of veto over local expenditures — are to have their powers diminished, too.

# Banned Neo-Fascist Rally Blocked by Spanish Police

EL ESCORIAL, Spain — Government police prevented 500 Spanish neo-Fascists from holding a banned rally Sunday in this former royal vacation spot.

# Reagan Reportedly Decides Trade Policy

House was increasingly moving toward practical decisions instead of posturing in foreign policy. Others expressed great unhappiness about what they saw as a severe problem of logic and politics, that is, asking the American people to go along with sharp increases in military spending to hold back the Soviet Union yet not taking an equally tough position on the economic matters.

# Second Step

The second step, to be accomplished within a year, will set out exactly what the powers of the bodies replacing the prefects — regional and departmental councils — will be.

# Press Assails Defferre

MADRID (Reuters) — The Spanish press reacted angrily Sunday to statements by French Interior Minister Gaston Defferre that France would not extradite suspected Basque guerrillas wanted for trial in Spain.

# Europe as Hostage

Mr. Weinberger and the others agreed that, because the prospective deal had been reduced from two pipelines to one and because France had almost halved its rearmament and Belgium had dropped out, the problem had boiled down to West German dependence.

# Little Agreement

At a meeting of the National Security Council on July 7, there was agreement that Western equipment would be important to Moscow and that sales of critical materials should be curtailed, but on little else.

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### NEWS FROM MIFED

Milan, June 16, 1981.

MIFED — International Film, TV Film and Documentary Market — has just announced that its 44th Session will take place from October 19 to 30, scheduled as follows: MIFED INDIAN SUMMER (October 19-25); MIFED EAST-WEST FILM MARKET (October 25-30); MIFED TRADITIONAL (October 25-30).

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Canada	1,200.00	750.00	Spain	1,200.00	750.00
France	1,200.00	750.00	Sweden (incl.)	1,200.00	750.00
Germany	1,200.00	750.00	Switzerland	1,200.00	750.00
Greece	1,200.00	750.00	Switzerland	1,200.00	750.00
India	1,200.00	750.00	Switzerland	1,200.00	750.00
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**INTERNATIONAL HERALD TRIBUNE**  
Published by the New York Times and The Washington Post

## SENIOR EXECUTIVE POSITIONS

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other selected publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

POSITION	SALARY	EMPLOYER	LOCAT.	QUALIFICATIONS	CONTACT	Source
Vice-President Landing Control	\$1,025,000 to 1,110,000 p.a. + 6%	Int'l Export Finance Co.	Central Switzerland + travel	18 yrs. exp. credit analysis + control Int'l banks, English + Swiss national	Box 10790, International Herald Tribune, 32231 Neuilly, Cedex, France.	I.H.T. 8-7-81
Int'l Sales Planning Manager	Excellent + bonus benefits	TBN Bearings Division	Assand Jamaica	3-5 yrs. related business experience, English, French, Italian.	Manager Human Resources, TBN Bearings Div., 407 Chamber Street, Jamaica, N.Y. 11431, U.S.A.	WSI 7-7-81
Int'l Mgr., Process Engin. Machine Building Ind.		Subs. Int'l operating German group (technical services).	Central Europe Capital	Engineer, exp. planning + projecting ind. plants, German, Dutch, +	Dr. Robert Muessem, Management- Beratung GmbH, Heine-Platz Str. 64 6 Frankfurt, Tel.: 239961, Germany.	F.T. 8-7-81
Assistant General Manager	\$,225,000 +	United Bank of Kuwait	London	30's, exp. Int'l banking, also Arab world	Charles Barker, Management Selection, 38 Farnington Street, London EC 4A 4EA, Tel.: 01-226 0506.	Executive 11-7-81
Senior Corporate Treasurer		Int'l Corp. with operations in Europe + U.S.	Attractive (Headquarters)	Treasurer 25-45, degree economics B.A.; exp. Eng., S.W. America, English +	London Int'l S.A., 18 Rue de la Seine, 1287 Geneva, Switzerland.	I.H.T. 8-7-81
Director (trice) Relations Publiques	Attractive	Belgium-Lux	Paris	5 yrs. exp. similars, Anglais/ Francais; commissaires presse et medias.	M. 3-278, Compresse Publithé, 220 Ave. de l'Industrie, 13640 Paris Cedex 01, France.	I.H.T. 8-7-81
Manager Internal Audit	£ 110,000 p.a. + 6%	Int'l Co.	London	Accountant, 30 + 5 yrs. exp. Computerized business systems essential. Exp., French + German.	Ref. MDD 1029, Division Int'l Ltd., 87 Tottenham Court Road, London W1P 0JL, Tel.: 01-251 1444, England.	I.H.T. 8-7-81
Senior Finance Assst. Manager	Good	Int'l Financial Group (Middle East projects)	Geneva	25-35, Eng. + Arabic, evaluation + financing Arab world.	R. M. Schmid, Project Manager Schiff Investment Services S.A., P.O. Box 868, 1211 Geneva 1, Switzerland.	I.H.T. 8-7-81
Phosphoremarkt Verkaufsförderer		Europäische Firma (Stz. Paris) (Niederdeutsch)	Deutschland	Erziehung bei U.S. Terminalhändler, deutsche Muttersprache, Franz. + Engl.	Clara, Int'l 111 01, 6 Place de la République, 19011 Paris, France.	I.H.T. 11-7-81
European Aerospace Sales Mgr		Siemens Precision (Aircraft equip. & systems)	Europe	18 years regional prof. sales exp., English + German	Ms. Carl Carter, Siemens Precision, 1525 Boulevard 1970 St. Suite 300, Miami, Florida 33156	I.H.T. 14-7-81

كندا 2011



COMMISSIONED — The USS Dallas, a fast-attack submarine in the Navy's Atlantic fleet, was commissioned in Groton, Conn. It is the 13th submarine of its class in active service.

### Italy Names 5 New Chiefs In Military

ROME — The government has appointed five new armed forces chiefs in an unprecedented peacetime reshuffle. Gen. Vittorio Santini, commander of NATO ground forces in southern Europe, was named chief of the defense staff on Saturday. He replaces Adm. Giovanni Torrisi, who resigned 10 days previously because of the scandal over the P-2 secret Masonic lodge. New chiefs of staff of the army, navy, Carabinieri and customs police were also named Saturday. The former head of the customs force, a paramilitary body, also resigned after the Masonic scandal. The heads of the army and navy had both reached retirement age. Defense Minister Lelio Lagorio, referring last week to the impending reshuffle, said that the new military chiefs would be men of "a high degree of professionalism, a spotless background, and who can guarantee their loyalty to the public."

## U.S. Urges Pregnant Women Not to Drink

### Abstinence Advised Because of Uncertainty on Birth Effects

By Joel Greenberg  
New York Times Service  
WASHINGTON — Pregnant women should drink absolutely no alcohol, the surgeon general has officially advised doctors in the United States. Previous warnings have stopped short of advocating abstinence. But public health officials now say they know too little about the effects of even small amounts of alcohol to condone the use of even one ounce of alcohol during pregnancy. The advisory, issued in the July issue of the Food and Drug Administration's Drug Bulletin, comes in response to an exhaustive review of scientific research during the last decade into the effects of alcohol consumption on pregnancy, according to John DeLuca, director of the National Institute on Alcohol Abuse and Alcoholism. The review was forwarded to the president and the Congress last November. It was compiled by the institute along with the Food and Drug Administration and the Bureau of Alcohol, Tobacco and Firearms. Uncertainty Several studies published in the last five years indicate that pregnant women who drink as little as one ounce of alcohol a day tend to have children with low birth weights, and women who drink just one ounce of alcohol twice a week show an increased incidence in spontaneous abortion.

While scientists have been relatively certain for years that excessive drinking — at least 3 to 4 ounces of alcohol a day — can contribute to birth defects in newborn babies, they have been unsure about the effects of light drinking. And although the latest findings suggest that any alcohol consumption can affect unborn babies, researchers say they are still uncertain about the extent of the effects. "It's really quite simple: We don't know a safe level," said Mr. DeLuca, who conducted the study for the institute. "I can't say that one drink is safe and one and a half is not — the science does not allow us to do that." Mr. DeLuca said he was not telling pregnant women that because they might have had a few drinks, their babies would be damaged. "I would tell pregnant women to relax and have a healthy baby," he said. "But I would recommend that they stop drinking." But the warning was criticized as "overkill" by Dr. Morris Chafetz, the founding director of the National Institute on Alcohol Abuse and Alcoholism from 1970 to 1975. Dr. Chafetz said that the studies reviewed for the institute's report "leave a great deal to be desired."

Other Factors Cited Many of the studies surveyed mothers and babies after, but not before and during, pregnancy, he said. Therefore, it was not possible to tell whether small doses of alcohol — rather than tobacco, stress, poor nutrition or other factors — were primarily responsible for the low birth weights and spontaneous abortions. "For the surgeon general to take that kind of data and make such sweeping implications is wrong," said Dr. Chafetz, who is now president of the nonprofit Health Education Foundation in Washington. The current surgeon general's advisory urges total avoidance not only by women who are pregnant, but also by those who are planning to be. "We reviewed all the science in the area essentially since the beginning — beyond the last 10 years," Mr. DeLuca said. "Our recommendation was based primarily on the link between excessive consumption and birth defects." Excessive drinking has been reported to trigger a wide but definable range of birth problems known as fetal alcohol syndrome. Defects associated with the syndrome can include one or more of the following: mental retardation, central nervous system disorders, growth deficiencies, certain facial abnormalities and other malformations, cardiac and other organic problems. The reported effects of alcohol occur independently of those caused by smoking and poor diet, according to the advisory. "In addition, it has been readily demonstrated that alcohol readily enters the breast milk and thus is transmitted to the nursing infant," the advisory states.

## China Prevents UN Talks on Cambodia From Barring Possible Return of Pol Pot

By Bernard D. Nossiter  
New York Times Service  
UNITED NATIONS, N.Y. — China has succeeded in blocking a United Nations conference on Cambodia from placing obstacles in the way of a possible return to power by the deposed Pol Pot faction.

Outside the meeting, Ha Van Lau, Hanoi's representative at the United Nations, said he would not recognize any committee created by the conference. But he pointed out that "Cambodia would not meet with the group if it dropped its conference label, and he thus left the door slightly ajar for talks.

China's success in defending the rights of the Pol Pot faction, which it backs with weapons and aid, was all the more remarkable because China was backed only by Chile and Pakistan, diplomats said.

A gathering of 92 nations on Friday ended its weeklong deliberations here with a declaration acknowledging that the Pol Pot group and other insurgent factions can keep their arms. The document implicitly permits the return of the Pol Pot group to administer Phnom Penh if and when UN-supervised elections are held there.

The Southeast Asian countries, led by Singapore, had tried to hamper a restoration of power to the Pol Pot group, which is accused of actions while it was in power that took perhaps three million Cambodian lives. Singapore drafted a declaration that would disarm all factions in Cambodia and provide an interim or neutral administration when elections are held.

China maintains that the Pol Pot group, which sits in Cambodia's seat in the United Nations, is the victim of Vietnam's aggression and that it is the legitimate government of Cambodia.

The conference, however, had a marred air of unreality. It was designed to open the way for negotiations on withdrawal of the 200,000 Vietnamese troops who now occupy Cambodia and on free elections. But neither Vietnam, whose soldiers deposed Pol Pot in 1979, nor its ally, the Soviet Union, attended. They called the meeting illegal and one-sided.

China stopped that, too, asserting that Heng Samrin has no standing. Finally, the Singapore group urged a specific offer of aid to Vietnam if it pulled out its troops. But again China won the drafting battle, and the declaration calls only for aid to "all states of the region," without mentioning Vietnam.

China's drafting victory resulted from two factors. The nations here were determined that any document must win unanimous approval and that no division should be shown to Hanoi. In addition, there was a widespread feeling that the document should emphasize principles and not be too concerned with details. Both China and Singapore say their principles were upheld.

The only practical result of the conference appears to be the creation of a committee of seven nations charged with "maintaining contact with the parties to the conflict." The hope is that they will draw Vietnam into talks.

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**2 Killed on Mont Blanc**  
AOSTA, Italy — Two Dutch Alpinists fell to their deaths Saturday while scaling the Zinalrothorn peak of Mont Blanc, the police reported.

The seven nations on the committee that will seek to engage Vietnam in talks are Thailand, Malaysia, Japan, Sri Lanka, Nigeria, Senegal and Sudan. More may be added later.

Gen. Umberto Cappuzzo, head of the Carabinieri, was promoted to chief of the army staff, and Adm. Angelo Monassi, commander of NATO naval forces in southern Europe, was named chief of the naval staff.

Gen. Lorenzo Valletta, the northeast regional military commander, took over the Carabinieri post, and Gen. Nicola Chiari, chief of the Fifth Armored Corps, the customs police.

The Rome newspaper Il Messaggero said that Italy's military establishment had seen no comparable shakeup since the defeat by Austrian forces at Caporetto (Kobarid) during World War I.

Interior Minister Virginio Rognoni later named two new secret service chiefs to replace those who resigned over the Masonic scandal. Emanuele de Francesco, 60, prefect of Turin, was appointed head of the Internal Security Network (SISDE). Orazio Sparano, 55, former prefect of Padua, was put in charge of the Information and Security Committee (CESIS), which coordinates the secret services.

Mr. Rognoni did not name the new head of external security (SISME) and gave no explanation for the omission.

## Black Pilot Defector Poses Problem for South Africa

By Jack Foisie  
Los Angeles Times Service  
HOEDSPRUIT, South Africa — Lt. Adriano F. Bomba, a 23-year-old Mozambican fighter pilot who defected to South Africa earlier this month, is causing the South African government a large headache.

in the Soviet Union, Lt. Bomba represents an unusual source of military intelligence. As one of only 22 fighter pilots in the Mozambique Air Force, he is also providing technical information about Mozambique aerial defenses and what the Soviet Union and other Communist countries are providing.

Lt. Bomba has been helpful during interrogation. South African Air Force Brig. A.J.S. van der Lith said. The latter is air force chief of intelligence and played host at an unprecedented visit by foreign newsmen to South Africa's most modern air force installation, located close to the Mozambique border.

The order caused Lt. Bomba to miss his final year of high school, and put him in the air force instead. When he decided to flee, he considered South Africa as his only haven, despite its racist policies. To fly to neighboring black-ruled countries, all friendly to President Machel, would have led to his being returned to Mozambique for punishment, he believes.

He wants to settle in South Africa — to resume his interrupted education, he said. But Lt. Bomba is black, and the fact that he speaks four languages and can fly MiG jet fighters does not qualify him for residence in South Africa, nor to enter into the South African Air Force under present law.

There are few enlisted blacks in the air force, and none who are officers.

Under South African segregationist policy, Adriano Bomba is a "foreign black" and eligible to be in the country only as a contract laborer from a "tribal homeland" to which he must return after his labor is completed.

Asked if he had not foreseen that problem, Lt. Bomba replied obliquely: "After my country's propaganda, I was surprised to see how blacks and whites interact." But he added that by being restricted to this air base since he landed a Soviet-built MiG-17 here on July 8, "I have not yet been fully enlightened" about racial conditions generally.

With three years of jet training

Officials said Friday the warrants accuse Mr. Sindona of instigating the murder of Giorgio Ambrosoli, and Mr. Arico of being one of his killers. Mr. Sindona was the liquidator of Mr. Sindona's Banca Privata Italiana, closed by the government in 1974 after the collapse of Mr. Sindona's financial empire.

Mr. Ambrosoli was shot and killed outside his Milan home only hours after testifying on the Sindona affair before U.S. investigators. Mr. Sindona is serving 25 years in the United States in connection with the failure of his Franklin National Bank.

Whatever status I receive, I do not intend to become involved in internal politics," Lt. Bomba said, a reference to the majority black population's campaign to gain equality with whites. The pilot, wearing a starched camouflage uniform, said his bitterness toward the Mozambique government, headed by Samora Machel, stems from a Machel order that high school education be shortened to provide semitrained men for the armed services and government civil service.

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Is there a hole in our argument?

The ability to continually stimulate fresh impetus nearly always presupposes natural enthusiasm, mental agility and physical fitness. And people who possess these attributes to an exceptional degree very often share a fundamentally competitive attitude to life: both in their professional and leisure activities. A company isn't so very different. If it is involved in competition — as BMW is in motor sport — it is fit, enthusiastic and more capable. In short, it is more successful.

However, the moving spirit of the company, its virtues and attitudes, its healthy approach to competition, together with the ability to generate genuine enthusiasm, influence more than just the character of our products. To us, a competitive spirit also means having more courage to pursue original and unusual ideas, to tread new paths. And, above all, the ability to answer new problems with new solutions faster and with greater flexibility.

This becomes particularly evident in times of economic difficulties. On the one hand, there are the pessimists who continuously emphasize only the difficulties with increasingly strident rhetoric. And on the other, there are those people for whom problems represent nothing more than a new challenge to work with even greater dedication and to search for new solutions and approaches even more intensively. Because they appreciate that, in spite of hostile circumstances, success can always be achieved through greater vigour and new, innovative ideas.

That is why we feel that the competitive element, which is a constant factor in the BMW character, is not only completely compatible with a name that is synonymous with the world's finest cars. But is also an essential prerequisite for us to remain where we are now — at the top.

If more and more demanding drivers vote in favour of our idea of motoring excellence, it must surely be because they discover that a BMW reflects their own attitudes and character most accurately. In other words, the qualities to which they — and we — owe success.

BMW AG, Munich



IMF Urges Stress on Inflation Fight

Report Warns Against Risks of Expansionist Policies

By Carl Gewirtz International Herald Tribune

PARIS — Any hope that the Ottawa summit conference, which opens Monday, might produce a "quick fix" for the economic policy dilemma facing the major industrial countries...

jobs for the record numbers of unemployed, especially young people just entering the job market. While the jobless rates in most industrialized countries stand at post-war highs, the IMF notes that the number of people employed has also been increasing.

Dangers of Relocation

The IMF position in the growing debate over whether inflation or unemployment should be considered Enemy No. 1 is forthright: "Top priority should continue to be given to containment of inflation, with supply-side measures used to relax the energy constraint and, more generally, to foster productive investment and labor mobility."

If governments "relax... and shift toward expansion prematurely, the results could be very bad. Growth rates might improve markedly for a year or two, but inflation would flare up again and the ensuing development would be damaging, both domestically and internationally."

Timing of Reports

The difference is apparently explained by the fact that the IMF report was approved by member governments in May, while the OECD Economic Outlook, written at the end of June, had to accommodate the views of the new government, which places a greater emphasis on finding

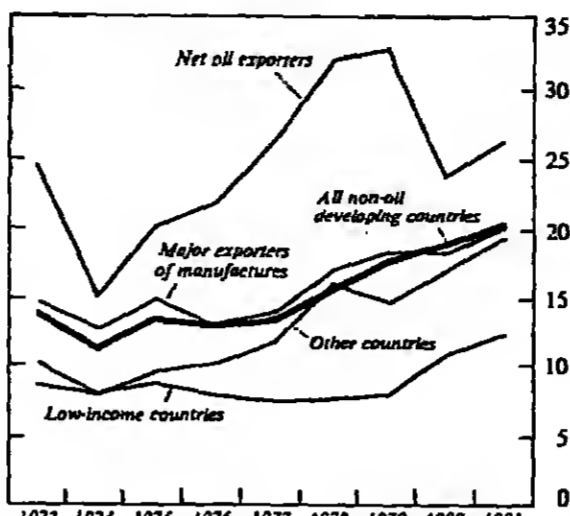


Chart shows annual debt service payments of non-oil producing developing countries and other nation groups as percentages of exports of goods and services. The IMF expects the borrowing needs of non-oil developing nations to grow substantially.

ing to accept the consequences of belt-tightening, it is not realistic to expect that of the developing countries where standards of living are already so much lower. Even assuming, as it does, that anti-inflation policies remain intact, the IMF view of the world by 1985 is still

Takeover Maneuvering Spawns \$32.7 Billion in New Credits

By Carl Gewirtz International Herald Tribune

PARIS — A staggering \$32.75 billion worth of loans are currently being syndicated for the North American takeover sweepstakes equal to 42 percent of the total amount of loans raised in the Eurocurrency market during all of last year.

SYNDICATED LOANS

will pay banks a commitment fee of 1/4 percent for the first year and 1/2 percent for the following three years. Mobil Oil: \$6 billion for eight years with interest set at 1/2 point over Libor for the first four years, a half-point thereafter.

Opinion Divided on Future for Searle's New Sweetener

By Thomas C. Hayes New York Times Service

Searle owns and franchises 868 Pearl Vision Centers, which accounted for \$196.6 million in sales in 1980, and \$22.7 million in pre-tax profit.

that the Canadian government is expected to approve the additive for both powdered and liquid uses within a month. He said that major manufacturers, who are unconcerned about the shelf-life question, are prepared to sell aspartame-sweetened soda a week after it is approved.

Searle has reported that Switzerland has approved the marketing of aspartame. Searle expects to apply for beverage approval in the United States by early 1982.

Analysts Disagree There is disagreement among analysts, however, as to its potential. The product has been approved only for use in dry products, such as cereals, chewing gum and powdered-milk beverages.

Aspartame loses its sweetness in bottled beverages after six to eight weeks of shelf life, and exposure to extreme heat causes it to break apart in baked goods.

Executive Comments "We are very happy about aspartame," John Robson, executive vice president, said Thursday. "But let's put this in perspective. Investment in research, expansion of our optical business and in our manufacturing plants form the centerpiece of Searle."

search in 1980, or about 7 percent of its sales, up from \$40 million in 1976, the year before Mr. Rumsfeld's arrival.

'81 Annual Meeting Moreover, Mr. Rumsfeld said at Searle's 1981 annual meeting that he would increase research spending "another 25 to 30 percent" this year.

Analysts expect that Searle's second-quarter results, to be released on Monday, will show that its pharmaceutical business has remained strong.

Last year, the company earned \$94.3 million, or \$1.78 a share, compared with \$89 million, or \$1.68 a share, in 1979. Sales rose to \$1.1 billion from \$988.4 million.

Two hypertension drugs, alvone and aldecide, have been Searle's main lifeline since the mid-1960's. They contributed 38 percent of Searle's 1980 pharmaceutical sales, which were \$589.5 million.

The figure dropped from 48 percent in 1978, when the drugs lost their patent protection. And a Searle spokesman acknowledged that fading sales of the two drugs were likely to continue.

U.S. Money Supply Report Deepens Market's Woes

By Carl Gewirtz International Herald Tribune

PARIS — The Eurobond market remained becalmed last week as investors waited for some clear sign of where interest rates are headed.

The sign, to the grief of bond dealers, finally appeared late Friday in New York, when the Federal Reserve reported that the M-1B measure of the money supply for the week ended Wednesday soared \$6.9 billion, well beyond the \$2-to-\$3-billion gain that had been widely anticipated.

Bond prices plummeted in late New York trading on the news. Treasury coupon issues were marked down from 1/2 to 1 1/2 points while bills fell 30 basis points on fears that the hoped-for relaxation of Fed monetary policy would not be imminent.

In his weekly Comments on Credit, written before the Fed data was released, Salomon Brothers economist Henry Kaufman noted that "market participants who

found some comfort from the slowing in economic activity and in inflation, now seem to view both as transitory. There seems to be a sense that tax reductions will be legislated soon, contributing to a pickup in economic activity. Moreover, market participants recognize that these developments have not been accompanied by an abatement in credit demands or by a substantial decline in carrying costs."

Quick Relief Unlikely He also noted that the latest news from the Fed was "not reassuring to a market looking for quick relief." Specifically, that the growth in M-2 and M-3 was already somewhat high relative to its targets for the year, that the Fed had indicated willingness to accept a shortfall in the growth of M-1B, that it was stressing the need to reduce the growth of the monetary aggregates rather quickly and that economic demands would be quickly activated whenever interest rates declined.

Italy's ENI Counts on New U.S. Ties

By Axel Krause International Herald Tribune

ROME — Within two weeks, Ente Nazionale Idrocarburi, Italy's state-controlled oil company, and Occidental Petroleum of the United States, plan to complete negotiations aimed at launching an unusual transatlantic joint venture in coal and petrochemicals.

"Although we are diversifying our energy sources, much of the future investment will remain in oil exploration and production," says Chairman Bruno Cimino.



than profits. These companies have had their fair share of involvement in national political scandals.

"Montedison and ENI face similar problems... in contrast to Italy's small, dynamic companies, the big companies traditionally have not done well," said Stuart Wansley, chemical industry analyst for W. Greenwell & Co., a London brokerage firm.

Energy Diversification "The government through the companies it controls intends to be an active partner in the energy diversification," said Mr. De Michelis, noting that of the 12 nuclear plants approved in 1977, only two are being built.

ENI is by no means abandoning its historical raison d'être — exploring, developing and marketing oil and gas. These activities still account for roughly 80 percent of ENI's sales and investments, while contributing heavily to the company's impressive and growing cash flow — 1.8 trillion lire last year on consolidated sales of \$26.5 billion.

But ENI is not significantly increasing its own supplies of oil. Last year the company handled 41 million tons of oil, but only 16.6 million tons of that came from its own production in Italy and in foreign countries, representing a slight decline from the two previous years.

ENI spends roughly \$1 billion annually on oil and gas exploration worldwide and has no intentions of slowing down.

"ENI's past is tied to oil and although we are diversifying our energy sources, much of the future investment will remain in its [oil] exploration and production," said Bruno Cimino, who last month took over as chairman of Agip, ENI's oil and gas-producing affiliate.

Until his appointment, which was part of a major reshuffling of key jobs within ENI, Mr. Cimino ran Snamprogetti, an engineering affiliate responsible for planning and building pipelines and turnkey plants. Those activities combined generated over \$1 billion in sales last year and contributed heavily to profits.

"We are all part of the same team, aggressively building on energy," said Giovanni Molinari, chairman of Snamprogetti. He reported that his division is actively competing for contracts against U.S., Japanese and other European companies throughout the world.

Snamprogetti is also increasing cooperation with Technip of France in an area in which both companies are active — liquefied natural gas. "We are often tied with them in bidding on LNG projects, notably in black Africa, where there is current expansion," said a Technip spokesman in Paris.

Meantime, ENI's pipeline-laying affiliate, Saipem, is in the final stages of completing construction of a 2,500-kilometer pipeline which is scheduled to begin transporting Algerian natural gas to northern Italy via Tunisia in the autumn.

For ENI, the deal represents new access to U.S. technology. "They have the know-how and the marketing skills internationally we are seeking," said Lorenzo Necci, 42, a key strategist who has been a member of ENI's executive committee since 1975.

Mr. Necci said that another crucial element in the agreement was providing Italy access to Occidental's coal supplies. Several coal mines owned by Island Creek Coal, a subsidiary of Occidental, also are expected to come under ownership of the new joint company.

The Italian government is determined to reduce its heavy dependence on oil imports to 50 percent by 1990 from the present level of 70 percent. Increasing coal use in electricity generation and industrial use is a key ingredient in the plan. The government recently es-

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CURRENCY RATES

Table with columns for Currency, Rate, and other financial data. Includes interbank exchange rates for July 17, 1981, and dollar values.

Advertisement for ZENTRALSPARKASSE UND KOMMERZIALBANK-WIEN. Features a large logo and lists various international banks and financial institutions.

Vertical text on the left margin: Stress, Inflation, Germany, GNP, etc.

International Bond Prices - Week of July 16

Provided by White Weld Securities, London, a Division of Financiere Credit Suisse - First Boston

RECENT ISSUES

Table with columns: Amt, Security, % Mat, Middle Price, Yield, and Life. Lists various international bonds with their respective details.

STRAIGHT BONDS

Table with columns: Amt, Security, % Mat, Middle Price, Yield, and Life. Lists straight bonds across various countries like Australia, Austria, and Belgium.

HIGHEST YIELDS

Table with columns: Amt, Security, % Mat, Middle Price, Yield, and Life. Lists bonds with the highest yields.

HIGHEST YIELDS

Table with columns: Amt, Security, % Mat, Middle Price, Yield, and Life. Lists bonds with the highest yields for average life above 5 years.

HIGHEST CURRENT YIELDS

Table with columns: Amt, Security, % Mat, Middle Price, Yield, and Life. Lists bonds with the highest current yields.

DM STRAIGHT BONDS

Large table with columns: Amt, Security, % Mat, Middle Price, Yield, and Life. Lists DM straight bonds across various countries.



A CONFERENCE SPONSORED BY THE INTERNATIONAL HERALD TRIBUNE AND THE OIL DAILY LONDON, SEPTEMBER 28 & 29, 1981

Sheikh Ahmed Zaki Yamani, Minister of Petroleum and Mineral Resources, Saudi Arabia, will be the keynote speaker at the second International Herald Tribune/Oil Daily conference...

CONFERENCE REGISTRATION

Registration form with fields for Name, Position, Company, Address, City/Country, and Telephone.

HOTEL RESERVATION

Hotel reservation form with fields for Name, Company, Address, City/Country, and Telephone.

DM STRAIGHT BONDS

Table with columns: Amt, Security, % Mat, Middle Price, Yield, and Life. Lists DM straight bonds.

WestLB advertisement for Eurobonds, DM Bonds, and Schuldscheine, including contact information for Dusseldorf, London, Luxembourg, and Hong Kong.



# Takeover Maneuvering Generates \$32.7 Billion of New Credits

(Continued from Page 7)

the first five years, a half over for the next two years and 1/4 point over Libor for the final three years. Du Pont is also paying a quarter-point commitment fee for the first six months, rising to 1/2 percent thereafter.

Atlantic Richfield: \$650 million for 12 years, offering prime plus 1/4 point for the first four years and prime plus half a point thereafter (or alternatively, 1/2 point over the adjusted 90-day rate for certificates of deposit for the first four years before rising to 1/4 point) or half a point over Libor for the first four years and 1/4 point thereafter. It is paying a quarter-point commitment fee for the first six months.

Pezzoli Move

In addition, only skimpy details were yet available on the \$2.5 billion Pezzoli is raising under the aegis of Citibank (reportedly for five years). Pezzoli is said to be

insisting on retaining for itself the option of deciding whether interest is based on prime or Libor — a move lenders are resisting. Cities Service is arranging a \$1-billion loan with Citibank and Morgan Guaranty, but no details were immediately available.

At the same time, Canadian Development Corp. has increased to \$2.1 billion the amount it is raising to finance the purchase of Aquitaine of Canada from Elf Aquitaine of France, which is using the proceeds to buy Texasgulf.

What Is 'Friendly'?

It is true that many of these loans may never be drawn if, as reported or assumed, Du Pont, Mobil, Texaco and Gulf are all building the cash needed to take over Conoco. On the other hand, there is nothing to stop the losing Conoco suitors from using the funds to launch other takeovers.

It is of some interest, then, that

bankers have elicited specific wording from Texaco, and by inference the others as well, that the money will only be used for a "friendly" takeover.

Bankers Leery

Such assurances had been sought from Seagram when it put together a \$3-billion war chest last year. When it refused to be tied down, Bank of America, Chase Manhattan and Morgan Guaranty Trust refused to participate in what then was the largest ever loan syndication — fearing they could find themselves financing the takeover of an important client who opposed the bid.

Unfortunately, bankers involved in the current transactions refused to divulge the specific wording they elicited from the borrowers or to explain how they defined "friendly."

The other transactions currently under way appear minuscule by comparison.

Exxon is in the market seeking

to finance an electricity project in Hong Kong. Under the aegis of Citibank, the oil giant is raising \$300 million for 12 years, with interest set at 1/4 point over Libor for the first four years, a half-point over Libor for the next four years and 1/4 point over Libor for the final four years. A companion \$200 million, guaranteed by the U.K. export credit agency, is for 21 years with interest set at 1/4 point over the interbank rate.

Occidental Petroleum is restructuring \$300 million of outstanding bank debt into a new seven-year loan with interest set at a split 1/2-1/4 point over Libor. Swiss Bank Corp. is organizing the operation which will be a "club" deal only including banks having loans to Oxy.

Brazil Back

Brazil is raising \$400 million for the Itaipu Binacional hydroelectric project with Paraguay, up from the originally proposed \$300 million. Lenders have choice of an eight- or

10-year maturity. The increase in the amount and the inclusion of a 10-year element, the first in over a year for Brazil, is being taken as a sign that the country — one of the most heavily indebted — is back in favor with the banks.

Interest on the \$340-million, eight-year portion will be set at 2 1/2 points over Libor or 2 percentage points over the prime of lead manager Morgan Guaranty Trust. The interest on the \$60-million, 10-year portion is set at an eighth of a point higher.

Public Power Corp. of Greece is seeking \$250 million. Of this, \$220 million will be syndicated as a 10-year loan bearing interest of 7 1/16 point over Libor for the first two years and a half point over thereafter. Managers underwriting \$10 million will earn participation fee of 1/2 percent on their taken-down and 1/16 percent on their sell-down.

The remaining \$30 million in being taken by a group of Japa-

nese banks in the form of a 12-year floating rate note with interest set at a quarter-point over Libor. However, front-end fees and commissions lift the yield to the lenders to the level paid on the syndicated loan. The Japanese reportedly want "marketable securities" to skirt some of the restrictions that apply to the participation in the syndicated market.

Ansett, the domestic Australian airline guaranteed by the government, is raising \$195.8 million to finance the purchase of aircraft. The loan will be divided into two parts, one for six years and the other for 10 years. The amounts for each portion have not yet been specified. Interest on both will start at a quarter-point over Libor for the first three years, rising to 1/2 point over Libor thereafter. Credit Commercial de France is lead manager.

Korea Electric Co. is in the market for \$200 million. Interest on this 10-year loan will be set at 1/4 point over Libor.

**JAPAN PACIFIC FUND**  
Société Anonyme  
Luxembourg, 37, rue Notre-Dame  
R. C. Luxembourg, B2C340

**Notice of Meeting**

Messrs. Shareholders are hereby convened to attend the Extraordinary General Meeting which is to be held on July 29, 1981 at 11.30 a.m. at the offices of Kredietbank S.A., Luxembourg, with the following agenda:

**Agenda**

Amendment to the first sentence of Article 8 of the Articles of Incorporation, in order to change the date of the Annual General Meeting of Shareholders to the third Wednesday of June at 3 p.m.

Resolutions to be taken at the Extraordinary General Meeting will require a quorum of at least one-half of the shares issued and outstanding and, in order to be valid, resolutions must be taken at a 2/3 majority of the shares present or represented at the Meeting.

The Board of Directors

# U.S. Money Supply Figures Send Debt Market Reeling

(Continued from Page 7)

supply data, David Jones of Aubrey G. Lanston & Co. told Reuters that the latest rise in M-1B brings its growth rate in line with the Fed's longer-term growth targets, after having been well below the target last month. "This will take away any incentive for the Fed to ease, and will limit the extent of further Fed easing actions."

The Fed's objectives should become clearer this week when Chairman Paul A. Volcker presents his mid-year review to Congress. In addition, markets should get some direction from the economic figures to be released. Data on second-quarter gross national product is to be reported Wednesday and forecasts range from a decline of up to 2 percent on an annualized basis to an increase of 1 percent following the rapid 8.6 percent growth in the first quarter.

Money-Market Fund

Investors who are tired of trying to outguess where rates are headed and eager to put their money into a money-market fund may be in-

terested to know that the first such fund based in Europe is currently being launched. European Banking Co., which is owned by seven major international banks, is offering shares of A and B units of its International Income Fund.

Unit A will invest only in dollar instruments having a maximum maturity of 12 months. Unit B will invest in similarly short-dated instruments but the currency composition will be a cocktail — currently 59 percent dollars, 15 percent Deutsche marks, 13 percent yen and 13 percent Swiss francs. The composition of the cocktail will change from time to time, as EBC sees fit.

The units are being sold for \$1, with a minimum investment of \$1,000 required. Valuation will be made daily and three days' notice is required for redemption.

In the bond market, only three issues were announced last week, with IBM World Trade Corp.'s \$60-million, four-year offering the biggest success. The notes, priced at par, bear an annual coupon of 14 1/2 percent and were quoted on a when-issued basis at issue price.

Less well received was the European Investment Bank's \$150-million, eight-year issue. This offering is being made on a classic basis, with the issue price to be set "realistically" in light of market conditions on July 22. The indicated coupon is 15 percent.

The problem is that the EIB is notorious for squeezing every possible penny out of the pricing and what it and its lead manager Union Bank of Switzerland deem "realistic pricing" risks to be far away from what most potential purchasers view as realistic.

Before the late Friday rout in New York, dealers in London were saying the EIB issue would have to yield 15.7 percent to appeal to investors — implying an issue price of 98 1/2 for resale to big investors at a selling concession of 1 percent.

The EIB and the European Coal & Steel Community together account for 8 1/2 percent of the total \$75 billion worth of straight dollar denominated Eurobonds, according to the latest issue of Hill Samuel's International Bond Quarterly. The EIB has \$4.4 billion outstanding against \$2.02 billion for the ECSC. Noting "investor resistance ... over the increasing amount of debt incurred by these borrowers," Hill Samuel advised readers that "these concerns are, in the main, unfounded in an economic sense."

Issues of both "remain highly secure and there is no tangible evidence ... that either is any less credit worthy now than in the past." The U.K. investment bank further notes that "the large number of their issues outstanding can only help in an active portfolio management program."

Slow Moving

Also moving slowly was the \$50 million for APS Finance Co., guaranteed by Arizona Public Service Co. The seven-year issue is expected to carry a coupon of 16 percent with the issue price to be set in light of market conditions on July

20. However, the issue was said to be moving slowly because the name is not well known to the market, dealers said.

In Singapore, the Commercial Bank of Korea Ltd. is raising \$20 million through an issue of three-year floating rate certificates of deposit. Interest will be set at a quarter-point over the Singapore interbank offered rate for six-month dollar deposits.

A number of issues were priced last week. The coupon on the \$40-million, 15-year convertible for Dai Nippon Ink & Chemicals was set at 6 percent as indicated with a conversion price of 282 yen. The exchange rate was fixed at 229.1 yen per dollar.

Toyo Menka Kaisha's \$30-million, 15-year convertible, sold at par bearing a coupon of 6 1/2 percent, down from the initially indicated 6 3/4 percent. The paper is convertible into the trading company's Tokyo shares at 21 1/2 yen, representing a premium of 2.8 percent. The exchange rate was fixed at 230.60 yen per dollar for the life of the issue.

Convertible Reduced

The 15-year convertible for Texas General Resources was reduced to \$12 million from the initially planned \$15 million. Priced at par, the issue bears a semi-annual coupon of 10 1/2 percent. The conversion price was fixed at \$28.50, representing a premium of 14 percent.

Northwest Energy's 15-year issue, convertible either into common stock or into a fixed rate bond, was cut to \$40 million from the originally envisaged \$50 million. The coupon on the convertible was set at a semi-annual 9 percent. The bonds can be converted into shares at a price of \$24 1/4, a premium of 18.3 percent. The fixed rate coupon was set at 16 1/2 percent.

The coupon for Seiyu Stores Ltd.'s \$15-million, 15-year convert-

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<b>Eurobond Yields*</b> Week Ended July 15	International institutions..... 14.46 %	Industrials, long term..... 13.85 %	Industrials, medium term..... 14.89 %	Canadian dollars, medium term..... 15.18 %	French fr. medium term..... 17.36 %	Unit of acc., long term..... 10.97 %
* Calculated by Luxembourg Stock Exchange						
<b>Market Timers</b> Week Ended July 17 (Millions of U.S. Dollars)	Total..... 5,268.8	Dollar..... 4,986.5	Non-dollar..... 282.3			

Call deposit repayable on demand. Minimum \$5,000. **16 1/2 %**

3 month fixed period. Minimum \$5,000. **16 3/4 %**

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<b>NET RETURN</b>	<b>DOLLAR (Can.)</b>	<b>19 %</b>
	<b>PESETA (Spain)</b>	<b>20 %</b>
	<b>DOLLAR (U.S.)</b>	<b>18.50 %</b>
	<b>STERLING (£)</b>	<b>15.75 %</b>
	<b>FRANC (French)</b>	<b>16.50 %</b>
	<b>MARK (Deutsch)</b>	<b>12.75 %</b>
	<b>FRANC (Swiss)</b>	<b>7 %</b>

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Write to Manager for further information.

**Gold Options (prices in \$/oz.)**

Price	Aug	Sept	Open to
410	20.25-24	—	Feb 82
420	19.18	—	Mar 82
430	18.20	19.25-20	Apr 82
440	17.25	18.25-19	May 82
450	16.30	17.25-18	Jun 82
460	15.35	16.25-17	Jul 82
470	14.40	15.25-16	Aug 82
480	13.45	14.25-15	Sept 82
490	12.50	13.25-14	Oct 82
500	11.55	12.25-13	Nov 82
510	10.60	11.25-12	Dec 82
520	9.65	10.25-11	Jan 83

**Valeurs White Weld S.A.**  
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This announcement appears as a matter of record only June 1981

# CEBRACE

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**U.S. \$ 140,000,000**

### MEDIUM TERM PROJECT LOAN


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CREDIT LYONNAIS	GRINDLAYS BANK GROUP
MIDLAND BANK FRANCE S.A./ MIDLAND BANK LIMITED	NATIONAL WESTMINSTER GROUP
	SOCIÉTÉ GÉNÉRALE

and

BANKERS TRUST COMPANY	MANUFACTURERS HANOVER
CHASE MANHATTAN S.A.	BANQUE NORDIQUE
CREDIT INDUSTRIEL ET COMMERCIAL	CITIBANK, N.A.

Arranged by  
**BANQUE DE L'INDOCHINE ET DE SUEZ**  
also acting as Agent



June 1981

This announcement appears as a matter of record only.

# REPUBLIC OF PORTUGAL

## U.S. \$ 500,000,000

### MEDIUM TERM LOAN

Lead managed by

Amsterdam-Rotterdam Bank N.V.	The Bank of Tokyo, Ltd.
Banque Nationale de Paris	Gulf International Bank B.S.C.
I B J International Limited	Manufacturers Hanover Limited
National Westminster Bank Group	Société Générale
Toronto Dominion International Bank Limited	AL-UBAF Group

Managed by

The Bank of Nova Scotia Group	Banque Européenne de Crédit
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The Fuji Bank, Limited	The Sumitomo Trust and Banking Co., Ltd.

Co-managed by

Banco Português do Atlântico	Gulf Riyad Bank
Industrial Multinational Investments	Orion Bank Limited

Provided by

Allied Arab Bank Limited	American National Bank and Trust Company of Chicago
Amsterdam-Rotterdam Bank N.V.	Arab Bank for Investment and Foreign Trade
Banco Borges e Irmão (Paris Branch)	Banco Espírito Santo e Comercial de Lisboa (London Branch)
Banque Européenne de Crédit (BEC)	Banco Nacional Ultramarino
Banco Pastor S.A.	Banco Pinto e Sotto Mayor
Banco Português do Atlântico	Banco Totta & Açores
Bank fuer Arbeit und Wirtschaft	The Bank of Nova Scotia Channel Islands Limited
The Bank of Tokyo, Ltd.	Bank Commerciale pour l'Europe du Nord (EUROBANK)
Banque Française de l'Agriculture et du Crédit Mutuel	Banque de l'Indochine et de Suez
Banque Internationale pour l'Afrique Occidentale (B.I.A.O.)	Banque Nationale de Paris
Barclays Bank International Limited	Caixa Geral de Depositos
County Bank Limited	Credit Suisse OBU
The Dai-ichi Kangyo Bank, Limited	First National State Bank of New Jersey
The Fuji Bank, Limited	Gulf International Bank B.S.C.
Gulf Riyad Bank, E.C.	The Industrial Bank of Japan, Limited
Industrial Multinational Investments Limited	International Westminster Bank Limited
Manufacturers Hanover Bank (Guernsey) Ltd.	Orion Bank Limited
Société Générale	Société Générale Alsacienne de Banque
Sofis Limited	The Sumitomo Trust and Banking Co., Ltd.
Toronto Dominion Bank	UBAF-Arab American Bank
UBAN-Arab Japanese Finance Limited	Union de Banques Arabes et Françaises-U.B.A.F.

Agent  
**Manufacturers Hanover Limited**

International Bond Prices - Week of July 16

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston.

Main table of international bond prices, organized by country (Australia, Canada, Denmark, etc.) with columns for security, price, and yield.

Table of American Exchange Options with columns for security, price, and yield.

Explanation of Symbols

Key explaining symbols used in the bond and options tables, such as 'Call', 'Put', 'Strike Price', etc.

Table of Chicago Exchange Options with columns for security, price, and yield.

Table of Mutual Funds with columns for fund name, price, and yield.

CONVERTIBLE BONDS

Table of convertible bonds with columns for security, price, and yield.

HIGHEST CURRENT YIELDS

On convertibles having a conversion premium of less than 10%.

Table listing the highest current yields for convertible bonds.

Handwritten signature or mark at the bottom of the page.

NEW YORK (AP)—Steady Over-the-Counter stocks...

Table with columns: Stock Name, High, Low, Last, Change. Lists various stocks like ABL, AIG, ALC, etc.

Over-the-Counter

Table with columns: Stock Name, High, Low, Last, Change. Lists various stocks like ABL, AIG, ALC, etc.

Consolidated Trading of AMEX Listings

Table with columns: Stock Name, High, Low, Last, Change. Lists AMEX listings like ABL, AIG, ALC, etc.

Consolidated Trading of NYSE Listings

Table with columns: Stock Name, High, Low, Last, Change. Lists NYSE listings like ABL, AIG, ALC, etc.

Treasury Bills

Table with columns: Maturity, Bid, Ask, Yield. Lists Treasury bills with various maturities.

IMF Report Puts Stress On Problem of Inflation

(Continued from Page 7) rather grim. Under the best of circumstances, "medium-term progress in reducing inflation is likely to be slow."

Consolidated Trading of NYSE Listings

Table with columns: Stock Name, High, Low, Last, Change. Lists NYSE listings like ABL, AIG, ALC, etc.

Exclusive Interest in Silver Mining with 100% Capital Protection

Direct participation in operating silver mine. Expected annual yield approx. 60-100%.

Debt Outlook

"Although such liabilities can sometimes be disregarded in analysis of outstanding debt positions because of the imminence of repayment, the conditions now prevailing suggest a likelihood that a considerable proportion of the current short-term obligations may soon be restructured into longer-term financing."

Table with columns: Stock Name, High, Low, Last, Change. Lists various stocks like ABL, AIG, ALC, etc.

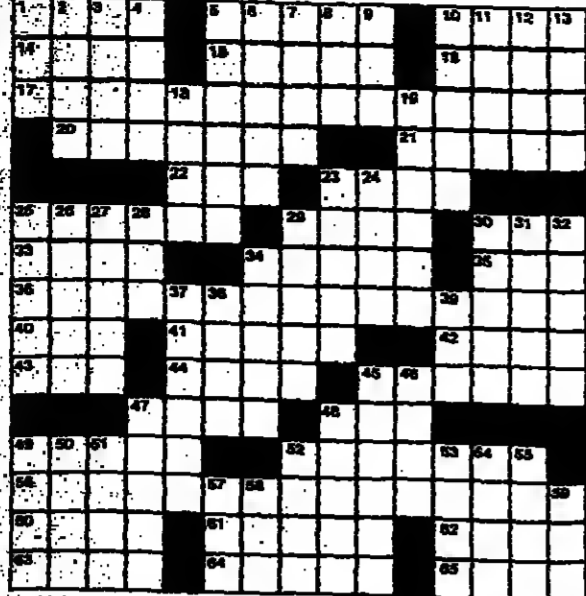
Table with columns: Stock Name, High, Low, Last, Change. Lists various stocks like ABL, AIG, ALC, etc.

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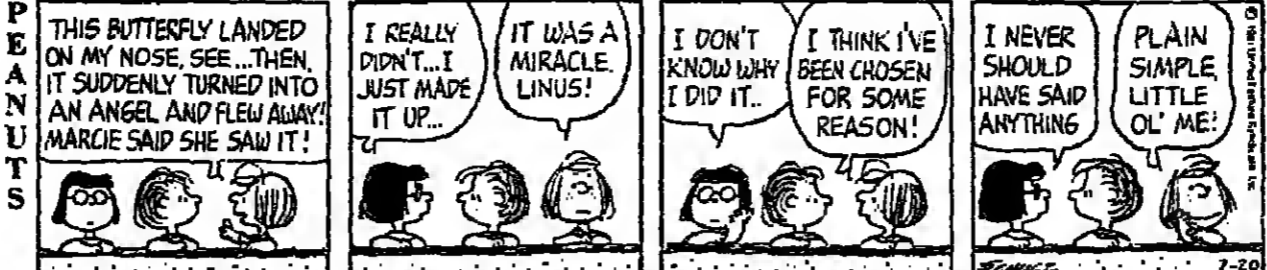
Table with columns: Stock Name, High, Low, Last, Change. Lists various stocks like ABL, AIG, ALC, etc.

Advertisement for SOCIÉTÉ GÉNÉRALE ALSACIENNE DE BANQUE, featuring a logo and text about floating rate notes.

CROSSWORD By Eugene T. Maleska



- ACROSS: 1 Louisiana legislator... 5 Clipper port... 10 Hamlet... 14 Seed covering... 15 Brownish... 16 Mielville classic... 17 Far West flower... 20 One of Israel's neighbors... 21 Added... 22 Understanding... 23 Dace or plaice... 24 Hits hard... 25 Penman's... 26 Show sorrow... 27 Plateau of... 28 Erstwhile... 29 Blood groups... 30 Songbird of eastern U.S. product... 41 Topic at Texas A & M... 42 Facilitate... 43 Electric or string follower... 44 Water bird... 45 Temper... 46 Puts two and two together... 48 Missile... 49 Nautical command... 52 Get by fraud... 53 Midwestern dairy product... 54 Hodgedodge... 55 Swiftly... 56 Final word... 57 For fear that... 58 English essayist: 1899-94... 59 Small barracuda... 24 Tiny bit... 25 Cheap skate... 26 Sphere of conflict... 27 Dog on Broadway... 28 Strong stuff... 29 Stendhal's real name... 30 Menu item... 31 Porcine... 32 Shipworm... 33 Trappers' trophies... 37 You come at ten o'clock... 38 'The Silver' Howard play... 39 Verden... 40 Ann Miller... 41 Nanking nurse... 42 Necktie... 43 Blood subsequently... 44 G. I. offense... 45 Depraved... 46 Without change... 47 Decree... 48 Figures out... 49 Vault... 50 Site of Roman ruins in NE Italy... 51 Siesta... 52 Any fashionable resort... 53 Corvée



JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee. Unscramble these four Jumbles, one letter to each square, to form four ordinary words. LEXIE, RIMPE, HELBED, SOLFIS. Answer: LEXIE, RIMPE, HELBED, SOLFIS.



BOOKS

THE MAGICIAN AND THE CINEMA

By Erik Barnouw. Illustrated. 128 pp. \$12.95.

Oxford University Press, 200 Madison Ave., New York 10016.

Reviewed by John Leonard

EVERYBODY remembers his or her first magic show. Mine was in a garage in the dark. I passed out bowls of pooled grapes and described them as the devil's eyeballs. After that, by the light of a lantern on a wall of cinder blocks, there were card tricks and some pigeons we pretended to decapitate. The attraction of magic to the amateur magician, derived from the fact that it wasn't magic at all, it was science in the service of illusion. Having sent in the magazine coupon and received our kit, we knew how everything worked toward achieving the ecstatic gasp.

Erik Barnouw is chief of the motion picture division of the Library of Congress, a very long job description. He is also the author of the definitive history of broadcasting in the United States, which is available in three volumes, and one disillusion. According to his new book — really an elegant essay with marvelous illustrations — the magicians of the 19th century, enthralled by the science of optics, photography and electricity, opened the door to motion pictures and thereby rendered themselves obsolete. Any amateur with a pair of scissors can cut and edit a strip of film in order to make a woman vanish, sever a head, burn a body down to the skeleton and reverse time. Talent went out of style.

Understanding the Possibilities. These magicians, in an age of science — Robert Houdin, John Nevil Maskelyne, Esiene Gaspar Robertson, Paul de Philipsthal, Emile Reynaud, Georges Méliès, Felicien Trewey, Louis Lumiere, David Devant, Carl Hertz and so on all the way to Harry Houdini — were acquainted with magic lanterns. They immediately understood the possibilities of limelight. They built robots and dioramas. When someone like Thomas A. Edison or Robert W. Paul came along, the magic makers pounced on their new technology. After flip cards and shadowgraphy, after the peep show and the animated cartoon, why not D.W. Griffith? Their business, after all, was the projection of images on a screen or waxed gauze or nitrate stock or celluloid minds. They never made a secret of the fact that they had secrets, none of which was supernatural.

Three things happened when the magicians discovered the technology of motion pictures. First, they distributed an appetite for that technology throughout the world on their grand tours to such exotic climes as Borneo and Baltimore. Next, they made movies themselves — Houdini did a dozen.

However, for every wicked witch there is, in the culture, a black magician, an alchemist, a Flying Dutchman, a Dr. Strangelove, a Vincent Price. The scientist, like the magician, possesses secrets. A secret — expertise — is something perceived as unnatural, and therefore ought to be kept secret. We have come a long way from Prometheus to Faust to Frankenstein. And even Frankenstein's monster is now a joke. Barnouw reminds us of "The Four Troublesome Heads" (1898), in which a conjurer punishes three of his own severed heads because they sing out of tune. This book, at once scrupulous and provocative, reminds us of two halves of mind we seem to have misplaced: innocent wonder and an appreciation of practical brainpower. Peeled grapes are out and LSD is in. (Again, alas, we laugh at Frankenstein, as we laugh at Bambi. We are more inclined to shrug than we are to gasp. Isn't anything a trick? Am I putting you off? Of course not; you wouldn't hit me with a banjo.)

John Leonard is on the staff of the New York Times.

CHESS

By Robert Byrne

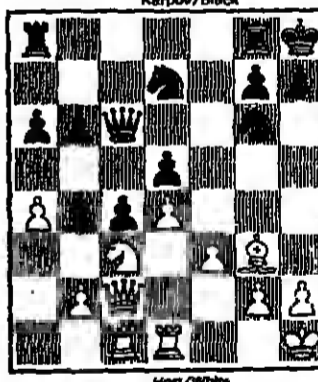
ANATOLY KARPOV has got it all backwards. When the world champion fails to take first prize home to the Soviet Union, that's an occasion. But when he achieves another triumph, it's taken for granted.

Of course, it's his own fault. In winning all but two tournaments since his successful title defense against Viktor Korchnoi of Switzerland in the Philippines in 1978, he has blunted us to a real appreciation of how difficult it is to attain such marvelous consistency. To see what he is up against, one has only to play over one of his rare losses to a rival like Vlastimil Hort, a Czech grandmaster. Karpov went astray in the early middle game of his encounter with Hort in the IBM International Tournament in Amsterdam and had no chance to recover in the face of the Czech's trenchant decisive tactics.

The Tartakover system of defense, 7... P-QN7, with the move of a late... P-QB4 to establish parity in the center, strives for untrammeled piece play, possibly at the price of some looseness in the center pawns. In recent years, Karpov has been one of its strongest advocates. When White delays an exchange in the center until 9 PxP, as Hort did here, Black's safest course is to simplify by 9... NxP; 10 BxR, QxR; 11 NxN, BxN; but Karpov kept the game complex with 9... PxP.

What defensive alignment would have been best after 12 Q-B2, bearing in mind that Black must maintain protection of his center pawns and find a secure development for his queen? On 12... N-K5; 13 BxR, QxR; 14 PxP, NxN (14... N/2xP may be better, but it leaves an isolated QP); 15 QxN, PxP; 16 Q-R3, KR-B1; 17 R-B2, Black has to worry about his QB's coming under attack by 18 R/1-B1 and either 19 N-Q4 followed by 20 N-N3 or 19 N-K1 and 20 N-Q3.

Karpov decided upon 12... R3; 13 KR-Q1, P-B5, but Hort's 14 P-R4 stymied the Black queenside pawn majority and threatened 15 P-QN3, PxP; 16 QxP with enduring pressure against the Black QP and 17... B-B3; 15 N-K5, Q-B2; 16 NxB, QxN, but after Hort's 17 B-B3, the new threat was 18 NxB; 19 BxB. The champion had to play either 17... QR-K1; 18 BxN, NxB; 19 P-K4, PxB; 20 NxB, P-QN4; 21 P-Q5, Q-N3; 22 P-Q6, B-Q1; 23 P-Q7, R-K3 with an advanced passed pawn to contend with or 17... P-KN4; 18



Position after 17... B-N3

B-N3, P-N5; 19 B-K2, P-QN4, which loosens his king position but does guard the center and mobilizes queenside pawn preponderance. Instead, be erred with 17... N5?, permitting Hort to smash the center with 18 NxB; 19 Q-Q4 and forcing recovery of the sacrificial knight.

After 20... QR-B1, Hort through the defense with 21 P-QN4 after which 21... Q-N4; 22 PxP, R5; 23 R-R1, B-R6; 24 B-K7 won win heavy material. Thus Karpov is to suffer 21... PxB; 22 RxB, R2; 23 QxPch, K-R1; 24 BxP, yield. White a pawn and tremendous advantage in mobility.

Hort's pin with 25 B-K6! had cost Black more material than 25... R-B2? allows 26 Q-N8m. After 25... R-B1, the Czech grandmaster did not give Karpov unnecessary chances by 26 QxN, Q-KR4; 27 P-B3, BxP; 28 BxN, BxP; 29 BxN, BxP; 30 BxN, BxP; 31 BxN, BxP; 32 BxN, BxP; 33 BxN, BxP; 34 BxN, BxP; 35 BxN, BxP.

WEATHER

Table with columns for location, high, low, and weather conditions. Locations include ALABAMA, ALGERIA, AMSTERDAM, ANKARA, ATHENS, AUCKLAND, BANGKOK, BEIRUT, BELGRADE, BERLIN, BOSTON, BRUSSELS, BUCHAREST, BUDAPEST, BUENOS AIRES, CAIRO, CASABLANCA, CHICAGO, COPENHAGEN, COSTA RICA, DAMASCUS, DUBLIN, EDINBURGH, FLORENCE, FRANKFURT, GENOVA, HELSINKI, HONG KONG, HOUSTON, ISTANBUL, JERUSALEM, LAS PALMAS, LISBON, LONDON, LOS ANGELES, MADRID, MARIIA, MEXICO CITY, MIAMI, MILAN, MONTREAL, MOSCOW, MURCICH, NASSAU, NEW DELHI, NEW YORK, NICE, OSLO, PARIS, PEKING, PRAGUE, RIO DE JANEIRO, ROMA, SALT LAKE CITY, SAO PAULO, SEOUL, SHANGHAI, SINGAPORE, STOCKHOLM, SYDNEY, TAIPEI, TEL AVIV, TOKYO, TUNIS, WASHINGTON, WASHINGTON, WASHINGTON, WASHINGTON.

RADIO NEWCASTS

BBC WORLD SERVICE. Broadcasts of 6000, 5070, 4000, 3000, 2000, 1500, 1000, 500, 200, 100, 50, 20, 10, 5, 2, 1 kHz. Suggested frequencies: Western Europe: 6000 kHz and 4030 Medium Wave, 5.775, 4.820, 7.128, 7.185, 7.235, 8.416, 9.250, 12.895 and 14.110 kHz in the 49, 41, 31, 25 and 19 meter bands. East Africa: 14130 kHz and 2124 Medium Wave, 25.650, 31.440, 17.285, 15.420, 11.240, 9.300, 7.120 and 4.005 kHz in the 11, 13, 14, 19, 25, 31, 41, 49 and 47 meter bands. North and North West Africa: 25.650, 21.470, 15.070, 11.250, 9.416, 7.130 and 5.975 kHz in the 11, 13, 14, 19, 25, 31, 41 and 47 meter bands. Southern Africa: 25.650, 21.440, 17.280, 17.705, 15.440, 12.895, 11.220, 9.416, 7.185 and 6.005 kHz in the 11, 13, 14, 19, 25, 31, 41 and 47 meter bands. Middle East: 14130 kHz and 2124 Medium Wave, 25.650, 31.440, 17.285, 15.420, 11.240, 9.300, 7.120 and 4.005 kHz in the 11, 13, 14, 19, 25, 31, 41, 49 and 47 meter bands. South East Asia: 25.650, 17.705, 15.440, 12.895, 11.250, 9.416 and 5.975 kHz in the 11, 13, 14, 19, 25, 31, 41 and 47 meter bands. Also for Singapore only: 8.990 kHz VHF.

VOICE OF AMERICA

The Voice of America broadcasts world news in English on the hour and at 28 minutes after the hour during various periods in different regions. Eastern Europe: 14130 kHz and 2124 Medium Wave, 25.650, 31.440, 17.285, 15.420, 11.240, 9.300, 7.120 and 4.005 kHz in the 11, 13, 14, 19, 25, 31, 41, 49 and 47 meter bands. Middle East: 14130 kHz and 2124 Medium Wave, 25.650, 31.440, 17.285, 15.420, 11.240, 9.300, 7.120 and 4.005 kHz in the 11, 13, 14, 19, 25, 31, 41, 49 and 47 meter bands. South East Asia: 25.650, 17.705, 15.440, 12.895, 11.250, 9.416 and 5.975 kHz in the 11, 13, 14, 19, 25, 31, 41 and 47 meter bands. Also for Singapore only: 8.990 kHz VHF.

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Standard Time (GMT) and frequencies: Western Europe: 6000-6700 Mon-Fri; 14130, 11.225, 7.185, 7.125, 7.235, 8.416, 9.250, 12.895 and 14.110 kHz in the 49, 41, 31, 25 and 19 meter bands; 14130, 11.225, 7.185, 7.125, 7.235, 8.416, 9.250, 12.895 and 14.110 kHz in the 49, 41, 31, 25 and 19 meter bands; 14130, 11.225, 7.185, 7.125, 7.235, 8.416, 9.250, 12.895 and 14.110 kHz in the 49, 41, 31, 25 and 19 meter bands. Middle East: 14130, 11.225, 7.185, 7.125, 7.235, 8.416, 9.250, 12.895 and 14.110 kHz in the 49, 41, 31, 25 and 19 meter bands. South East Asia: 25.650, 17.705, 15.440, 12.895, 11.250, 9.416 and 5.975 kHz in the 11, 13, 14, 19, 25, 31, 41 and 47 meter bands. Also for Singapore only: 8.990 kHz VHF.

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Language

Word Winnowers

By Trudy Tvan
The Associated Press
SPRINGFIELD, Mass. — "Chairone" turned out to be a misfit that was finally dropped in disgrace. The jury is still out on "streaking" but "ciset queen" seems in to stay.

"Chairone was one of our biggest mistakes," Mish said. "It was being pushed by the National Organization for Women and we got a lot of citations for it over a six-to-eight-month period just before we published our latest addendum to the unabridged, so we included it. We should have been more cautious. No one has heard of it since."

The 30 editors, including specialists in science and sports, can spend their day reading anything from The New York Times and Scientific American to Rolling Stone and the New Yorker magazine. The idea, he said, is to ferret out and record the language as it is used — a decision that has occasionally gotten the editors of Merriam-Webster into hot water.

The company's most recent unabridged edition, Webster's Third New International Dictionary, raised a storm of protest when it was released in 1961 and included what some called slang, to say nothing of more direct four-letter words. And its addenda, published every five years with such new entries as "ciset queen," continue to raise eyebrows.

Mish said the still gets a "couple of letters a year" from readers shocked to have found a "dirty word" in the dictionary, but he said the besianity of some editors proved unfounded. "Unquestionably these words are used," Mish said. But there's still a place for scholarly caution: one widely used four-letter term for intercourse wasn't allowed until it built up "a voluminous file of citations."

They are among the last of their kind, for there are perhaps only a few thousand men left in the United States who work as cowboys. Many things have combined to make the traditional cowboy a dwindling part of the work force: wages in the mines and on the oil rigs being constructed in the West; the continuing lure of the city; "new technology," such as jeeps, trail bikes and airplanes; the benefits that one can draw through unemployment or welfare. No one really knows how many cowboys there are; they are lumped among the nation's 2.7 million agricultural workers.

What's needed, Mish said, is a rigorous and analytical mind, an ability to sit at a desk for seven to eight hours a day and "that special feel" for language. "Some of our biggest disappointments were Ph.D.s in English," Mish said.

William Safire on vacation.

Cowboys

By William Serrin
New York Times Service
MEDICINE BOW, Wyo. — Tall, wide-brimmed hats over their eyes, and scrambled eggs, sausage and coffee in their stomachs, Frosty and Jeff Crane saddled their horses an hour past sunrise and rode toward Robbers Roost to check stock.



Jeff Crane (left) and his brother Frosty hatted up for work.

Frosty Crane split off toward the far end of the corral and came up the Roost, a high outcropping of rock, from the side. Jeff rode straight up the old Union Pacific grade. The two met at the base of the Roost, then cantered up a rise, their horses' hooves clattering on the flint and shale.

Jeff and Frosty Crane can do almost anything that needs to be done on a ranch: shoe a horse, break a horse's cut leg, shoot a coyote at 200 yards, roop and doctor or dehorn a steer, kill a rattlesnake by striking it behind the head with a lanai, cause when cursing is called for.

There probably were never more than 40,000 cowboys in the United States. Their palmy days lasted from about 1865, when the big cattle drives north from Texas to the Rocky Mountain grasslands began, until the late 1880s, when blizzards, barbed wire, overgrazing and plunging cattle prices ended the great days of the open range.

Wister and his friend, the artist Frederick Remington, concocted much of the myth, according to Frank Bergon, co-author of a Western anthology, "Looking Far West." He said the two ignored the facts that perhaps a third of the cowboys were black or Mexican and that the West's economy was even then based on industrial enterprises, such as the railroad, mining and large-scale agriculture.

Jeff Crane's primary brand is the "Reverse R-Connected R," which stands for Robbers Roost, named because a train robber, Bill Carlisle, used to hold up the Union Pacific there.

The spread was built up by John Crane's father and grandfather, both dead now, beginning about half a century ago. Today the ranch is incorporated, with the shares held by Crane; his wife, Carol; Jeff and Frosty;

PEOPLE: Bahamian Caretaker To Go to Royal Wedding

The proudest man on the Bahamian island of Eleuthera these days is reportedly Henry Sands, a caretaker. For the last eight years Prince Charles has vacationed at the villa of his godmother, Lady Patricia Brabourne, where Sands works, and the prince and his caretaker developed a great liking for each other.

Twenty-one years ago, when he was in Italy as a talent scout for the Greater Miami Opera Association, Emerson Buckley heard a rhapsodic, unknown tenor from Mexico who impressed him greatly.

When is a king a great monarch or an imperialist oppressor? That question is at the heart of a dispute among residents of Santa Barbara, Calif. They are trying to decide what to do with a very-fine statue of King Carlos III of Spain that was presented to the town by his descendant, King Juan Carlos I, current monarch. Spanish soil in 1782 founded a presidio in the city and King Carlos I was to mark the occasion and dedicate the city on a visit to the United States in February.

Barry Gibb of the Bee Gees has paid \$1.4 million for a 45-year-old, 12-bedroom mansion, his second purchase of a million-dollar home at Miami Beach, Fla., according to court records. Two years ago, the Australian-born singer paid \$1,047,500 for a 10-bedroom, 7-bath mansion just down the street from his new purchase. But the first house is up for sale at \$1.5 million. He and his wife, Linda, also own a third Miami Beach house, 1979, for \$262,000. "Barry likes to get in at the bottom end, fix them up and then sell them," said Gibb's manager Dick Ashby.

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